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FBIS-LAT-89-029 *14 February 1989*

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More on Central American Presidential Summit

Arias' Arrival Statement

PA1302171489 San Salvador Canal Doce Television in Spanish 1300 GMT 13 Feb 89

[Report by "Up to Date" newscast journalist Antonio Mineros]

[Text] [Mineros] On his arrival in our country to participate in the Central American summit scheduled for 13 and 14 February, Costa Rican President Oscar Arias said: There are no winners or losers in the war. Dialogue produces great miracles.

After arriving at Comalapa Airport last night, Arias said that he is very optimistic as he comes to this meeting and is fully convinced that violence is not the correct path to power.

He added: If the United States and the Soviet Union were able to sign an agreement for the reduction of strategic weapons, then what is wrong with Central America?

[Begin Arias recording] We see, with much happiness, how the superpowers have reached agreements to limit nuclear weapons; yet we are unable to agree to reduce conventional weapons.

Someday we will have to solve this problem. Let us pray to God it will be soon so that war will no longer be used to settle conflicts in Central America, so that we can settle them without winners or losers. If we do not, we will all lose.

It is no good pursuing political power through violence because we destroy what we would want to construct later.

The most civilized way for a government to serve its people is through the polls. It is the most civilized way known to mankind. [end recording]

Arias appealed to guerrilla groups to silence their weapons and begin the peace process desired by all Central Americans.

[Begin Arias recording] [Words indistinct] Dialogue produces miracles. Let us hope that the entire world will understand that conflicts must be solved at the negotiating table, through dialogue, talks, and diplomatic means.

Let us understand that if other countries in conflict have realized that war did not solve anything—such as in Afghanistan, the Persian Gulf, and southern Africa—and settled their differences, it is time for Central Americans—after so much blood has been shed and tears cried by the region's mothers—to realize that war will not solve anything. [end recording]

[Mineros] And if war will not solve anything, 1989 must be the year to end this conflict because many of the signatories of Esquipulas II will no longer be in office in 1990. The new presidents will have to [word indistinct] a commitment; (?thus time) forces countries at war to renounce bullets, death, and suffering, Arias emphasized.

Duarte Gives Opening Speech

PA1302165689 San Salvador Radio Cadena YSLK in Spanish 1626 GMT 13 Feb 89

[Report by Javier Najarro, from Tesoro Beach Hotel in San Salvador]

[Text] The five Central American presidents inaugurated their fourth summit at approximately 1015 [1615 GMT] at San Salvador's Tesoro Beach Hotel. In a rather calm session, the five presidents sat facing reporters. Their host, Salvadoran President Jose Napoleon Duarte, gave the opening speech. He said each government brings a proposal to this meeting that will be discussed. All the proposals necessarily deal with the Esquipulas II agreements, which must be reiterated or revived so the presidents can achieve specific results from this meeting.

Guatemala's Cerezo 'Optimistic'

PA1302200289 San Salvador Radio Cadena YSKL in Spanish 1749 GMT 13 Feb 89

[Text] Costa del Sol, El Salvador—Guatemalan President Vinicio Cerezo said today that the recent proposal presented by the Salvadoran guerrillas for postponing the elections will be discussed at the Central American presidential summit being held today and tomorrow in El Salvador.

Cerezo, who arrived at the Tesoro Beach Hotel at 0900, told the press he was optimistic and certain the meeting will yield good results. He emphasized that the ratification of the Central American parliament by the Costa Rican Legislative Assembly, the democratization of Nicaragua, the departure of the contras from Honduras, and the recent proposal by the Salvadoran guerrillas are some of the most important points to be analyzed during the summit.

I am very hopeful of the goodwill of all the presidents to solve issues, he said, adding that the international community is carefully watching over the Central American situation. He also said that it is necessary that all these subjects be analyzed and solutions be reached to ensure peace in the region.

In his brief statements Cerezo made no reference to the Guatemalan internal situation, which will also be discussed during the meeting.

Nicaraguan Proposal on Contras

PA1302221789 Panama City ACAN in Spanish 2057 GMT 13 Feb 89

[Text] Costa del Sol, El Salvador, 13 Feb (ACAN-EFE)—The Nicaraguan Government has said it will free 3,500 former Somozist guardsmen if an agreement is reached with Honduras to disarm the counterrevolutionaries and relocate them in Nicaragua and other countries.

This proposal was announced by Paul Reichler, an influential U.S. lawyer who is a trusted adviser to the Sandinist government and Nicaraguan President Daniel Ortega in the negotiations with the contras.

Nicaragua will free the Somozist guardsmen if Honduras accepts its proposal to disband the counterrevolutionary forces. Nicaragua will only keep in jail some 100 guardsmen who "perpetrated crimes against humanity," as stated by resolutions issued by the Inter-American Commission on Human Rights. The release of the former Somozist guardsmen is part of a Nicaraguan proposal to Honduras that is aimed at finding a solution to the problem of the contras located in Honduras.

According to the draft of the proposal, to which ACAN-EFE had access, the agreement is supposed to be signed by Honduran President Jose Azcona and Ortega.

Nicaragua agrees to the return of all contras in Honduras and pledges to give them land and farming tools.

According to the proposal, the acceptance of the contras' repatriation is conditioned upon Honduras disarming them.

The Nicaraguan proposal also provides that the OAS, the UN High Commissioner for Refugees, and the International Red Cross must verify compliance with the agreement.

These organizations would be empowered to operate on both sides of the 717-km long Honduran-Nicaraguan border.

Reichler, who is usually a reliable spokesman for the Sandinists, asserted that "the release of the Somozists will depend on the Honduran Government's reaction to the proposal."

The same spokesman said that with this proposal Nicaragua seeks "to definitively put an end to the military threat posed by the contras' military presence in Honduras."

Honduran sources interviewed by ACAN-EFE said that resolving the problem of the contras' presence in eastern Honduras "is one of Azcona's top priorities at the summit."

RN's Montalban Comments

PA1402035389 Panama City ACAN in Spanish 0027 GMT 14 Feb 89

[Text] Costa del Sol, El Salvador, 13 Feb (ACAN-EFE)—Wilfredo Montalban, leader of the Nicaraguan Resistance (RN), said in El Salvador today that the Central American presidential summit "will not be the death of the contras."

The RN spokesman added that "there will be resistance as long as there is a totalitarian government in Nicaragua."

The Central American presidential summit is being held today and tomorrow in a hotel on El Salvador's Pacific coast. Montalban and other RN leaders arrived at the summit site to deliver a new peace proposal in which they expressed their "willingness to achieve a political and negotiated solution to the Nicaraguan crisis."

The RN asked the Nicaraguan Government to begin serious and immediate negotiations and it proposed to the Sandinists the revitalization of the National Verification Commission, formed by Cardinal Miguel Obando y Bravo and OAS Secretary General Joao Baena Soares.

The RN also promised to join the country's economic and social life and it proposed that it participate in Nicaragua's national reconstruction commission.

Montalban told ACAN-EFE that "the RN will have many serious problems" if the United States definitely halts its humanitarian and military aid—the latter was cut off 1 year ago—and if the Central American presidents approve the Sandinist proposal.

The Nicaraguan delegation released a bilateral plan to be carried out with Honduras. According to the proposal, Managua promises to repatriate all the contras (approximately 13,000) if they are disarmed and stop being a threat to Nicaragua's security.

If Honduras disarms the contras, Nicaragua would release 3,500 Somozist guardsmen.

Montalban said they have "the promise of Honduran President Jose Azcona and of the Bush administration that the contras will not be abandoned as long as there is a totalitarian Nicaragua."

He added that there are more than 8,000 political prisoners in Nicaragua and that the Sandinist government has been the only one that has not complied with the Esquipulas II peace plan, which was signed in Guatemala 2 years ago.

Ortega Proposes Antidrug Accord

PA1402004389 Panama City ACAN in Spanish 2225 GMT 13 Feb 89

[Text] Costa del Sol, El Salvador, 13 Feb (ACAN-EFE)—The Nicaraguan Government today discussed with the rest of the Central American governments the need for a meeting between the region's foreign ministers and the United States to discuss an agreement on cooperation against drug trafficking.

Nicaraguan President Daniel Ortega presented the plan for cooperation against drug trafficking at the Central American presidential summit under way on El Salvador's Pacific coast.

If the Nicaraguan plan—which ACAN-EFE had access to—is approved, it will be sent to the United States so that some time during the 2d half of April the first meeting between the five Central American foreign ministers and a representative from the Bush administration will take place in Managua.

"The Central American region is used against its will for the illegal trafficking of drugs," Ortega's plan states.

Estimates indicate that more than $1 billion in drugs passed through Central America during the past decade.

Nicaragua made two proposals today at the presidential summit: The first dealt with the release of 3,500 former Somozist guards, and the second with drug trafficking.

The Central American presidents have an "open agenda" which will allow them to discuss other issues concerning peace and the region's development.

Election Verification 'Impasse'

PA1402043389 Buenos Aires REUTER in Spanish 0352 GMT 14 Feb 89

[Text] Costa del Sol, El Salvador, 13 Feb (REUTER)—Nicaraguan Foreign Minister Miguel D'Escoto has said that the Central American summit under way here is at a virtual impasse because of discrepancies over how to verify the results of presidential elections in the region.

The Costa Rican Government insists that the verification of democratization and pacification under the Central American peace plan should be assigned to the region's five foreign ministers. However, Nicaragua's proposal, while retaining the foreign minister's role, also calls for the presence of observers from the OAS and the United Nations "in all electoral processes that take place" in the region.

The two initiatives were presented to a meeting of area foreign ministers that is under way at this beach resort on El Salvador's Pacific coast in conjunction with the presidents meeting.

After El Salvador endorsed the Costa Rican plan, D'Escoto said: "The self-verification that they are proposing is a total negation of democracy. It is obstructionist. We have not been able to advance."

"That is undemocratic," the Nicaraguan foreign minister said. "We foreign ministers would say to each other: 'You scratch my back and I'll scratch yours.'"

A previous meeting of Central American presidents held in Costa Rica in January 1988 assigned the verification functions of the regional peace plan to the five foreign ministers, rejecting the assistance of the Contadora Group.

"Nicaragua acknowledges that the foreign ministers will make the final decision, as was agreed upon by the presidents at their meeting," D'Escoto said, but he added that the people would have more confidence if "in addition to an internal audit, there was an external one."

Nicaragua also proposed the elimination of the national reconciliation commissions that have been established in each country to oversee compliance with the commitments to amnesty and reconciliation provided for in the Esquipulas plan.

However, Guatemala maintains that it should be those commissions that oversee the electoral processes, while El Salvador proposes that the task be entrusted to groups of notables from each country.

Cuba

Vice President Rodriguez Visits Mexico

Meets With President

FL1002221789 Havana Radio Reloj Network in Spanish 2056 GMT 10 Feb 89

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met with Mexican President Carlos Salinas de Gortari and Mexican Foreign Minister Fernando Solana.

After a private luncheon at the president's home, Rodriguez and Salinas de Gortari exchanged views on bilateral matters and the situation in Central America and Latin America. This was stated to PRENSA LATINA by Cuban diplomatic sources.

Visit Ends, Comments Noted

FL1102131989 Havana Radio Progreso Network in Spanish 1200 GMT 11 Feb 89

[Text] Cuban Vice President Carlos Rafael Rodriguez has ended a brief visit to Mexico City where he was received by President Carlos Salinas de Gortari. The two leaders discussed bilateral relations, the Central American peace process, and Cuba's views on the meetings held by Latin American leaders in Caracas.

The Cuban leader later made remarks to the press. He stressed the significance of President Fidel Castro's attendance at three presidential inaugurations in Latin America. Carlos Rafael Rodriguez said that this action reflects the progress made in the economic and political integration process occurring in the continent. The Cuban vice president also expressed his conviction that Mexico will carry out its historic role in this area despite the problems the country is currently confronting.

'Important' Cooperation Program With Mexico

FL1302124789 Havana Radio Progreso Network in Spanish 1200 GMT 13 Feb 89

[Text] Cuba and Mexico are working on a joint program of scientific and technological cooperation of wide significance.

The Cuban authorities classify the program as the most important program in America for our country and the most important one in the world for Mexico in that field.

Relations With Venezuela 'Restarted'

FL1402131989 Bonaire Trans World Radio in English 1130 GMT 14 Feb 89

[Text] Cuba and Venezuela have restarted diplomatic relations with the arrival in Caracas of the Cuban charge d'affaires. The diplomat, Omar Morales, arrived in the Venezuelan capital on Sunday to take care of some details necessary for the reopening of an embassy in Venezuela.

Relations were formerly reopened earlier this month between Cuban leader Fidel Castro and Venezuela's new president, Carlos Andres Perez.

South African Attack on Angola Reported

FL1302140489 Havana Tele-Rebelde Network in Spanish 1200 GMT 13 Feb 89

[Text] The Angolan Army repelled the South African troops that, in violation of the peace agreements signed last December, penetrated 40 km into Angolan territory.

A communique from that country's defense minister, Pedro Maria Tonha, says that members of Pretoria's 22nd Buffalo Battalion, supported by armored vehicles, moved in from the city of Runtu in Namibia.

Upon crossing the Angolan border, the South Africans attempted to help the counterrevolutionary group UNITA [National Union for the Total Independence of Angola] to avoid its complete defeat after battles with the Angolan Armed Forces, FAPLA [People's Armed Forces for the Liberation of Angola].

The invaders, mostly Namibians in the service of the South African regime and mercenaries, were turned back in the early hours last Friday after suffering numerous human and material losses.

Angolan Communique Noted

FL1102133889 Havana Radio Progreso Network in Spanish 1200 GMT 11 Feb 89

[Text] The Angolan Defense Ministry has said that the South African Army penetrated about 40 km into Angolan territory. The communique says the new aggression is a violation of the recently signed agreements on southwest Africa, adding that the South African invasion took place in Cuando Cubango Province, south of the (Caindo) region.

The Angolan note says the racist troops tried to help a counterrevolutionary UNITA group there. The Angolan communique also calls on the international community to demand that South Africa fulfill the tripartite agreement signed in December in New York.

The countries that signed the agreement—Angola, Cuba, and South Africa—made a commitment to contribute to peace in the region.

Namibian Independence Seminar Issues Statement

FL1002160889 Havana Tele-Rebelde Network in Spanish 1200 GMT 10 Feb 89

[Text] An important action program is included in the final statement from the last day of the regional seminar on the role of scholars, solidarity groups, and the press in America regarding the approaching independence of Namibia. The actual closing ceremony of the seminar will take place today when the delegates visit Isle of Youth and read the final statement of the event to Namibian students.

The action program states that the Cuban Center for African and Middle Eastern Studies will coordinate, link, and release—at the Latin America and the Caribbean level—current reports on the transition and independence process of Namibia to the members of this forum and others in the hemisphere who are interested. It was also decided to warn international public opinion on the consequences of a reduction of the planned funds for the implementation of Resolution 435. Concern was expressed over the possibility that the apartheid regime could affect the impartiality and equality wished for in the transition period. The action program also states the need to mobilize prominent figures in our continent to attend the elections as observers.

These are some of the points of the action plan that were presented by the participants in the event. They looked for formulas and methods to help guarantee the long-awaited and deserved independence for the Namibian people, who have suffered and have been exploited but are determined to defend their sovereignty.

Risquet Meets With SDAR Foreign Minister

FL1002195089 Havana Tele-Rebelde Network in Spanish 1800 GMT 10 Feb 89

[Text] Jorge Risquet Valdes, member of the PCC Central Committee Politburo and Secretariat, has received a delegation from the Saharan Democratic Arab Republic [SDAR] headed by Foreign Minister (Mohamed Filati).

During the fraternal exchange of views, the Saharan delegation made an assessment of the political situation in the area, especially the negotiation process which the SDAR is holding with the Moroccan monarchy, sponsored by the United Nations, to find a just solution to the people's cause.

Risquet welcomed the presence in our country of the Saharan foreign minister and reiterated our unconditional solidarity and admiration for the heroic struggle which the Polisario [Popular Front for the Liberation of Saquia El Hamra and Rio de Oro] combatants are waging under difficult conditions.

The meeting took place in an atmosphere of mutual sincerity and understanding which characterizes relations between our party and the Polisario Front.

Culture Minister Meets Visiting Journalists

FL1002034689 Havana Television Service in Spanish 0100 GMT 10 Feb 89

[Text] A group of Ecuadorean reporters in our country met today with Culture Minister Armando Hart. The journalists were accompanied by lawyers, bankers, businessmen, and students of the brother country.

The Ecuadorans are visiting our country to understand the reality of the Cuban Revolution. During the 3 days they have been in the land of Marti, they have seen achievements on several fronts of the nation's life.

In the meeting with the culture minister, they spoke of the literacy campaign and book production.

[Begin recording] [Unidentified speaker] What is the goal, or what have been the goals reached by the Cuban Government with respect to culture?

[Hart] One of our main aspirations with respect to culture, in the ideological and cultural aspects [as heard], is the one we have been speaking of recently: the furthering of our sense as a nation, our sense of being Latin American and Caribbean, as well as other universal aspects. I said that the main thing we have to do with culture is to let it identify us. [end recording]

The minister of culture also said that we have to defend our continental identity to let imperialism's mass media know that their power is not eternal.

Importance of Economic Ties With USSR Noted

FL1002221689 Havana Radio Reloj Network in Spanish 2039 GMT 10 Feb 89

[Text] Representatives from the Soviet Embassy in Cuba, the Cuban State Committee for Economic Cooperation, and the Ministry of Foreign Trade agreed today that the economic relations between the two nations are heading toward a superior form of cooperation.

In the same way, they gave an extensive review of these ties which began 13 February 1960 and have, throughout all these years, been classified as being always more stable.

This was said at a news conference which took place at the headquarters of the Cuban-Soviet Friendship Association. The conference was in honor of the 29th anniversary of establishing bilateral economic relations.

In their reports, as well as in answering journalists' questions, the participants noted the importance of these ties for both nations. The delegates said that these ties are becoming more perfect every time.

Pioneers Congratulated on Work for MTT Funds

FL1102152089 Havana Tele-Rebelde Network in Spanish 1400 GMT 11 Feb 89

[Text] Army General Raul Castro Ruz, second secretary of the PCC Central Committee and FAR minister, has sent a message of congratulations to all the Pioneers of the country for overfulfilling their goals 2 months ahead of schedule in the collection of funds for the Territorial Troops Militia [MTT]. The message ends by saying:

On behalf of Fidel and myself, the beloved pioneers receive our recognition and congratulations.

Youths' Work on Cienfuegos Project Cited

FL1102164289 Havana Radio Reloj Network in Spanish 1503 GMT 11 Feb 89

[Text] About 8,000 youths are working on the construction of the country's first electronuclear center, which is being built in Cienfuegos. The youths represent more than 60 percent of the work force.

On the occasion of the 13th World Youth and Student Festival, these workers are striving to revitalize the site's shock project while strengthening the economic initiatives movement.

For the purpose of attaining greater results in efficiency and productivity, the young construction workers at the Cienfuegos electronuclear center installed 5 blocks in the fifth row of the reactor in only 24 hours with the required quality. This task usually requires 1 month to be completed.

In addition, the workers are trying to finish installing 2 tons of steel and 500 sq meters of shutters [encofrar] before the festival begins.

PNR Carries Out Operation Against Hoarders

FL1002165089 Havana Radio Progreso Network in Spanish 1200 GMT 10 Feb 89

[Text] Joint forces of the PNR [National Revolutionary Police] 1st Municipal Unit in Havana have carried out an operation at the the market located in Monte Cristina, Habana Vieja, against antisocial individuals who were hoarding the most popular varieties of fish sold there and later selling them at a higher price. Sometimes they even deceived buyers about the variety of fish.

During the police operation, 23 citizens were arrested. Most of them had criminal records. Ten of them were caught red-handed at the home of citizen Regla Garcia Murillo, located on 3d Cristina Street between (Fila) and Matadero Streets. A clandestine rum distillery operated there. Full and empty bottles of alcoholic beverages, three large knives, a cotter, three fish, and a record player obtained from questionable sources were seized. The residents of and visitors to the home are linked to those responsible for the profitable fish business.

The public present there expressed their sincere approval and gratitude for this efficient and timely police action. The people are against such social scourges who still attempt to make a living by taking advantage of workers.

Finally, the PNR adds that an investigation began on those arrested. As soon it is completed, they may be taken to the tribunals or sanctioned with misdemeanor fines as stated by Decree-Law No 141, according to each case.

Police Detain Two 'Fugitives of Justice'

FL1102145889 Havana Radio Progreso Network in Spanish 1200 GMT 11 Feb 89

[Police report from the general directorate of the National Revolutionary Police entitled "The Fight Against Crime," during "Progreso" newscast]

[Text] Thanks to the efficient action taken by the section chief of Zone No 45 in Plaza Municipality in Havana City Province and the cooperation of two PNR assistants, the police were able to capture two citizens who were fugitives of justice.

The section chief was on patrol with the crew of a police car. While they were conducting a check [trabajo de hostigamiento], they detained a city bus. Upon entering the bus, the police found two individuals who were being sought by the PNR. The two citizens fled when discovered. They were immediately pursued by one of the policemen from the bus.

One of the fugitives pulled out a firearm and shot at the section chief, who was not injured. Without losing any time, the wrongdoer was chased throughout the streets of the city. A PNR assistant joined the (?third sergeant) and helped capture the fugitive moments later.

While this was going on, the other fugitive hid in a construction project near the site of the incident. He was detained there by another patrol car and a police assistant.

The two citizens were then transferred as detainees to the PNR 3d Municipal Unit.

Anguilla

Party Nomination, Election Dates Announced

FL1002144389 Bridgetown CANA in English 1414 GMT 10 Feb 89

[Text] The Valley, Anguilla, Feb 10, CANA—The people of Anguilla, a 35-square-mile British dependent territory, will go to the polls on Monday, February 27. Nomination day is Friday, February 17.

The announcement was made by Chief Minister Emile Gumbs at a public meeting of his Anguilla National Alliance Thursday night and followed the dissolution of the island's House of Assembly by British Governor Geoffrey Whittaker.

Nineteen candidates have declared their intention of contesting the seven seats in the islands' House of Assembly—eleven of them newcomers.

The election will be contested by candidates from four political parties—the Anguilla National Alliance (ANA) of Chief Minister Emile Gumbs, the Anguilla Democratic Party (ADP) of Victor Banks, the Anguilla United Movement (AUM) of former Chief Minister Ronald Webster and the Party for Anguilla's Culturation and Economy (PACE) of medical practitioner Dr. Cutwin Lake. Two of the candidates will run as independents.

Just over five thousand people are eligible to vote in the elections, the fifth since the island secured the ministerial system of government in 1976.

Bermuda

UBP Leaders Meet; Swan Rearranging Cabinet

FL1002190089 Bridgetown CANA in English 1834 GMT 10 Feb 89

[By Howard Rose]

[Test] Hamilton, Bermuda, Feb 10, CANA—Leaders of the ruling United Bermuda Party [UBP] met in emergency closed session Friday morning to discuss Thursday night's general election, which saw the party's parliamentary majority slashed by a resurgent opposition Progressive Labour Party.

Premier John Swan, who had his majority reduced from 22 to six, will spend the weekend redrawing his cabinet following the defeat at the polls of three cabinet ministers.

His immediate problem is finding a replacement for his deputy premier and finance minister, Dr. Clarance James, who was spectacularly beaten at the polls by an independent candidate, Stuart Hayward, after 21 years as an MP.

Leading businessman and former senior civil servant Dr. David Saul is being tipped as the next finance minister, despite being a first-time MP.

Swan also saw two other cabinet ministers beaten at the polls, which left the UBP with 23 seats in the 40-meter House of Assembly instead of the 31 it had after its landslide win in the last election in 1985.

The opposition Progressive Labour Party boosted its numbers from a 1985 low of seven seats to 15, while the National Liberal Party saw only one of its two MP's reelected.

The win by environmentalist Hayward in the Pembroke West Central Constituency is the first by an independent in seven elections since party politics started in 1968.

The UBP's working majority will be cut even more when the new House of Assembly elects a new speaker, who will certainly come from government ranks. The favorite is former Premier Sir John Sharpe.

After the results were in, Swan conceded UBP in-fighting and a high-handed attitude by ministers to public opinion had upset voters and nearly led to defeat.

"We have got the message. There was the preception that things were being done that were unsatisfactory, particularly among sectors of the community that were our supporters," Swan, 53, said.

Swan, who called the poll with less than half of his five-year mandate from 1985 completed, now faces a rush to elect the new speaker, have his programme announced in the formal speech from the throne, and present and debate the budget in both the House and the Senate, all before March 31.

Clerk to the legislature, John Gilbert said Thursday it would be possible for the throne speech and the budget to be read on the same day, something which has never happened before, if parliament convened on February 24.

"But we're going to be hard-pushed," he said.

Jamaica

Manley Notes Priorities of New Government

FL1002184789 Kingston Domestic Service in English 1700 GMT 10 Feb 89

[Text] Prime Minister-elect Michael Manley has been speaking on [words indistinct] priorities as seen by the PNP [People's National Party] government. In his first post-election conference, he list three priorities of the working of a national advisory committee: items (?he wants to bring forward) in his Washington agenda, the primacy of tourism, and (?gaining of) Jamaica's Caricom partners.

[Begin Manley recording] We wish to establish a relationship with the new administration in Washington as quickly as possible. I have already begun to have discussions with the the U. S. ambassador in Jamaica about our visit to Washington. And there I want to make it very clear that we have very specific objectives. The first is to establish the widest and most constructive possible relationship with the new administration of President Bush

and all the relevant [words indistinct] of the U.S. Government. Yet it will also be very useful for us if included in such a visit are preliminary contacts with some of the key figures in the U.S. Congress.

Tourism, as you well know, is one of the main pillars of our economy, accounting for more than 500 million U.S. dollars in foreign exchange earnings from the million visitors who were here last year. And now that we have completed [words indistinct] a very positive national electoral process in which [words indistinct] free of any kind of incidents or problems, we now have to turn our attention to developing and expanding the structure of one of our main priorities. We will work closely with our parliamentary opposition and all segments of the industry to develop a [words indistinct] the present bipartisan consensus about tourism and seeing that ensuring that Jamaica is a safe and trouble-free destination offering [words indistinct] of an unparallel value.

I will hope to have an opportunity to meet [words indistinct] my colleagues in the Caricom prime ministers [words indistinct]. I will hope to have a chance to meet with them before [words indistinct]. It is very important to me to get a feel from them on how they see the problems and share with them my own ideas about (?what might help).

With respect to the Jamaicans who are overseas, let me say that it is very important [passage indistinct] some form of special account that will encourage Jamaicans [words indistinct] savings their investment in Jamaica. [end recording]

Manley's Inauguration, Policies Discussed

FL1002232989 Bridgetown CANA in English 2128 GMT 10 Feb 89

[Text] Kingston, Jamaica, Feb 10, CANA—Leader of the People's National Party [PNP], Michael Manley took the first step towards forming the government Friday when he conferred with the island's governor general and head of state, Sir Florizel Glasspole.

The PNP on Thursday swept aside Prime Minister Edward Seaga's Jamaica Labour Party [JLP] in the first contested general elections here since 1980.

Seaga was expected to send his resignation to Glasspole Friday. Manley told reporters Friday he will be sworn-in as Jamaica's prime minister Monday and he will announce his cabinet later in the week.

Manley's party on Friday seemed destined, as final vote counting continued, to take at least 44 of the 60 seats in the House of Representatives. "We are planning the swearing-in (as prime minister) for Monday afternoon," Manley told a group of reporters at the end of a formal news conference.

His cabinet would be announced "sometime next week", Manley said, though other PNP officials said that some ministers might be also sworn-in Monday.

Manley declined to comment on the likely make-up of his cabinet, but indicated that all the shadow ministers would not necessarily hold their portfolios. "Everybody knows that they hold those while you are in opposition," Manley said. "How the government will be structured will depend on my judgement of what should be done now."

However, at least one portfolio seems assured based on Manley's frequent guarantee of the position in the past: that of P.J. Patterson as deputy prime minister and minister of production and planning.

Much speculation will focus on who will be appointed to the crucial finance portfolio—a position that has implications for delicate negotiations with institutions such as the International Monetary Fund and the Paris Club Group of creditor nations.

Seymour Mullings, a minister of health in Manley's previous government of the 1970's has been finance spokesman since 1981, but analysts here assume that if he was given that cabinet portfolio it would be only a temporary measure.

The man who analysts speculate will eventually get the finance job is Hugh Small, who held the portfolio in the final months of the former PNP government in 1980. He got high marks for his performance at the time, but he left active politics after the PNP's 1980 election defeat. He re-entered the political arena in 1988 and was drawn into the shadow cabinet as spokesman for information and sport.

Manley has already signalled that international debt will be high on the agenda of the finance ministers and his own agenda. Jamaica has a U.S.4 billion dollar foreign debt which, despite regularly rescheduling by Paris Club members, requires nearly half of all foreign exchange earnings to service. But more than 42 per cent of the debt is owed to multilateral institutions, which do not reschedule. Under 10 per cent is owed to private commercial banks.

But Manley said at Friday's news conference that the bilateral, case-by-case approach to the international debt had proven ineffective in dealing with the problem. He said, however, that his government would never repudiate Jamaica's debt obligations. "We absolutely respect our obligation over debt," he said. "We would not in any circumstances walk away from our debt."

But Manley, who has argued for multilateral action on the problem, said that he would want to work with leaders such as Carlos Andres Perez of Venezuela and

others in the developing world for a "rational, practical, non-confrontational" approach that would take into account the interests of all parties.

He said statements by the new George Bush administration in the United States indicated that Washington also was willing to serach for new solutions to the problem.

Prime Minister Performs 'Last Official Act'
FL1302200089 Bridgetown CANA in English 2023 GMT 13 Feb 89

[Text] Kingston, Jamaica, Feb 13, CANA—Edward Seaga peformed his last official act as Jamaica's prime minister Monday, visiting ministries and departments under his portfolio.

Seaga was minister of finance and planning in his government, and among the institutions he visited Monday was the Central Bank and the Urban Development Corporation (UDC).

Seaga's Jamaica Labour Party (JLP) was defeated in last Thursday's general election here by Michael Manley's People's National Party (PNP), which gained at least 45 of the seats in the 60-member House of Representatives.

Manley will be sworn-in as prime minister later Monday.

Manley and PNP officials have been discussing the formation of the cabinet and party spokesmen say that the first ministers will be sworn-in this week.

Manley Assumes Role of Prime Minister

Swearing-in Ceremony Noted
FL1402005089

[Editorial Report] Kingston Domestic Service in English at 2217 GMT on 13 February carries live coverage from Kings House in Kingston, Jamaica of the swearing-in ceremony for Jamaican Prime Minister Michael Norman Manley. The ceremony begins with the playing of a military fanfare and is followed by prayers.

The Instrument of Authority from the office of Governor General Florizel Glasspole is read by an unidentified speaker. The document says: "In exercise of the power conferred on me by Subsection 1 of Section 70 of the Constitution of Jamaica, I do hereby appoint you, being a member of the House of Representatives, to be the prime minister."

Manley then takes the Oath of Allegiance and the Oath of Office. He vows to be "a true and faithful prime minister" in all things.

The announcer reports that Manley then shakes hands with Governor General Glasspole, who addresses him for the first time as "the Honorable Prime Minister." Glasspole then gives a speech in which he congratulates Manley and praises him for the statement he made on election night. "It was the sort of statement, in my view, that had restored a state of greater calm among all (?electors)." "I would be wanting in my duty, also," he adds, "if I did not pay tribute to the former prime minister and now the new leader of the opposition for the manner and spirit in which he publicly acknowledged defeat on the same night. That, too, has contributed to the calm we are witnessing since the election ended, with some exceptions," says Glasspole. The governor's speech lasts for 11 minutes.

Prime Minister Manley then speaks, thanking everyone who made it possible for him to be here this night. He gives special thanks all of those who worked for peace.

In reference to the policies of his new administration, Manley says that his new government will pursue national unity, patriotism, and cooperation. He adds that his new government will also pursue the fight against crime.

Turning to the topic of foreign relations, Manley says:

"We are an island, but we are not alone. Therefore, we must continue to explore the world around us, take advantage of what we can offer and exploit the opportunities which it provides for those with enterprise and initiative. We are already well-advanced in the establishment of our relations with the new administration which guides the affairs of our most-powerful neighbor, the United States of America. She is our biggest trading partner, our largest source of tourists, with the greatest potential for foreign investment."

The prime minister then pays personal tribute to the U.S. ambassador for "his even-handedness before the elections and for his immensely energetic assistance once it became clear that the people of Jamaica had made their choice."

Continuing on the topic of foreign relations, Manley says: "We will, immediately after this, also pursue and develop and expand upon those good relations that we have always enjoyed with our great friend Canada."

Manley also notes the great respect and deepest friendship that Jamaica has with Caricom leaders. "We have much to accomplish together," he adds.

The United Kingdom and the EC, continues Manley, represent a greater store of "political wisdom, and great new possibilities." "Some fear the new arrangements of 1992," he adds. "We of the Caribbean must be ready for these but we must also see the possibilities that might lie within this new economic entity taking shape before our very eyes. For us, this can be the very stuff of opportunity," he says.

Manley also notes that Jamaica should begin the process that abolishes those factors of culture and history that have divided the English-speaking Caribbean from Central and Latin America. "We too must explore a joint future," he says.

The prime minister also notes that Jamaica should investigate possibilities in the Far East, as it has already done with Japan.

"What kind of government will we try to be?" asks Manley. "Four words spring to mind," he says. "They are honesty, openness, participation, and energy," he adds. "Honesty implies openness," continues the prime minister. "We will seek to be a government with few secrets and no secretiveness," he says.

In reference to the country's economic condition, Manley says:

"There are clear signs that following Hurricane Gilbert and the fiscal extravagance of the election, that there may be trouble on our economic horizon. If this proves to be correct, we will not wait for economic problems to advance from the horizon to engulf us where we stand. If corrective action, strong action, even tough action needs to be taken, we will take it now and ensure that it is adequate."

Manley ends his speech by saying that his government wants the people and their leaders to help them plan wisely and govern well. He notes that talks have already been held with leaders of the major private sector organizations and more talks will follow. Manley's speech lasts for 19 minutes.

5 Cabinet Members Named

FL1402014889 Bridgetown CANA in English 2228 GMT 13 Feb 89

[By Paget de Freitas]

[Text] Kingston, Jamaica, Feb 13, CANA—New Jamaican Prime Minister Michael Manley on Monday announced five members of his cabinet, including four who served in his administration of the 1970's.

Manley, sworn-in earlier as prime minister following the resounding victory of his Peoples National Party (PNP) in general elections here Thursday, named Party Chairman Percival Patterson as his deputy and minister of production, development, and planning.

David Coore, who served as finance minister in his first government until he was fired after Jamaica failed an International Monetary Fund (IMF) test in 1977, will be the foreign minister.

The important finance portfolio has gone to Seymour Mullings, the party's spokesman on the subject since 1981.

Carl Rattray has been given back the portfolios of attorney general and justice which he held in the previous PNP government and K.D. Knight, the only appointee without previous cabinet experience, is to be the minister of national security, his position in the shadow cabinet.

Manley himself will be the minister of defense and information, which analysts say is consistent with his plan to devote more of his time to overseeing the government.

Patterson, a prominent lawyer, was foreign minister and minister of tourism in the PNP government that was voted out of office in 1980.

According to the PNP signals over the past three years, Patterson's ministry will be particularly powerful and crucial, playing a major role in spurring production and maintaining dialogue with the private sector with which the Manley government quarreled in the 1970s.

The ministry will oversee a national advisory body made up of public and private sector officials, aimed at dealing with problems before they impede production.

Coore, Manley's personal friend for nearly 50 years, joined the PNP's shadow cabinet two years ago on returning to Jamaica after serving with the Inter-American Development Bank.

Mulings had held the health portfolio in Manley's previous government.

PNP officials say that Manley was expected to "keep the cabinet tight", but declined to say how many ministers would be appointed.

Manley, 64, scored a landslide victory last Thursday over conservative Prime Minister Edward Seaga and his Jamaica Labour Party (JLP).

Since winning with 57 per cent of the popular vote, Manley has met privately with top business leaders in an effort to allay their concerns about his plans for Jamaica's economy.

PNP spokesman Hartley Neita said Manley would meet major tour operators later this week to assure them of his plans to upgrade the tourism industry, Jamaica's biggest foreign exchange earner.

"Our main concern is getting the country back on track so that everyone prospers," Neita told newsmen.

The PNP won about 45 of the 60 seats at stake in the February 9 poll, the remainder going to the JLP. The final vote count was still in progress Monday.

St Christopher and Nevis

Code of Conduct for Elections Established

FL1102161389 Bridgetown CANA in English 1514 GMT 11 Feb 89

[Text] Basseterre, St Kitts Feb 11, CANA—The Christian Council of St Kitts and Nevis has drawn up a code of conduct for political parties as the twin-island state gears for a general election.

"Bearing in mind that it is the year when elections are constitutionally due, it is absolutely necessary that the standard of behaviour by diverse groups...be improved for the benefit of all" a statement from the church grouping said.

Elections in the twin-island federation are constitutionally due by June of this year.

The document released by the council stressed that accountability in the exercise of their office should be a prime commitment of those selected to face the polls. It expressed commitment to the practice of "first past the post" and in this connection underscored the importance of elections being "indeed free and fair, thus enhancing the democratic process to which we subscribe".

The code calls on political parties, politicians, and party supporters to avoid "character assassination and/or scurrilous attacks on their opponenet, language that is sexist or indecent, as well as half truths and mis-representations which confuse issues and mislead the electorate".

It advocates the shunting of violence and that people act quickly to diffuse any situation which might lead to violence.

While reminding eligible voters "to exercise this precious right", the code suggested they weigh and examine very carefully the claims and promises made by the parties and candidates, and reject any attempts to win votes by any form of bribery or promise of special consideration.

News media personnel were reminded to report the news and views without bias and with fairness to all, while avoiding the temptation of sensational reporting, "ever mindful of the fact that freedom of the press is one of the pillars to build up the community rather than to destroy it".

Government Approves Appointment of Negroponte
PA1302124489 Mexico City EXCELSIOR in Spanish 7 Feb 89 pp 1, 28

[Report by Marta Anaya]

[Text] The Mexican Foreign Relations Secretariat reported in a 6 February communique that the Mexican Government has approved the designation of John Dimitri Negroponte as new U.S. ambassador to Mexico.

According to the communique, the Mexican Government, on reporting this decision to the U.S. Government, expects the appointment of this career diplomat "to help strengthen the relations between Mexico and the United States on a basis of equality and strict respect for the sovereignty of each of the two countries."

The document also pointed out that Negroponte's designation is expected to occur within the framework of the recent statements by both U.S. President George Bush and Secretary of State James Baker on the two nations' future.

The communique, which was made known late on 6 February, says the Mexican Foreign Relations Secretariat had already reported its approval to the U.S. Government.

Officials Reject U.S. Paper's Drug Charges
PA1202024789 Mexico City EL DIA in Spanish 7 Feb 89 p 3

[Article by Jose Luis Flores]

[Text] The U.S. daily THE WASHINGTON POST yesterday accused former and current government officials of being involved in drug trafficking. The Attorney General's Office [PGR] has condemned the accusations and has said that since there is no evidence to support the charges, the people accused by the U.S. newspaper may file suit for defamation and libel.

The charges made against former and current government officials were viewed by the PGR as "groundless" because they are based on the testimony of a U.S. drug trafficker. The statements were later denied by U.S. Ambassador Charles J. Pilliod. Under these circumstances, the accusations made yesterday by WASHINGTON POST columnist William Branigin and reportedly reproduced by a Mexican weekly may be denied by those who have been defamed and, "in the free exercise of their rights," the accused may even take legal action.

The PGR also said that the report published today by the U.S. columnist cites a trial that has nothing to do with the people accused in the article. The U.S. columnist has simply "invented a story" in which he makes accusations "that do not correspond to reality or the conduct of the people accused."

The PGR reported that this is not the first time William Branigin has tried to link current and former government officials with drug trafficking. In every case, Branigin has totally ignored the facts.

Communique Issued on Washington Debt Meetings
PA1202010189 Mexico City XHTV Television in Spanish 0200 GMT 11 Feb 89

[Text] During his visit to Washington, Finance and Public Credit Secretary Pedro Aspe met with financial officials and directors of financial organizations. The Finance and Public Credit Secretariat has issued a communique outlining the progress of these negotiations.

The communique states that one of the main issues discussed in Washington was Mexico's foreign debt strategy, which focuses mainly on recovering the country's sustained economic growth through stable prices. This strategy will lead to a gradual improvement in the Mexican population's standard of living.

Aspe said that the commercial banks, whose loans account for 75 percent of the Mexican debt, will have to participate in this growth process. Possible ways of participating include additional credit resources to finance growth and concessions in the debt's interest or principal to reduce debt payments.

According to the communique, the negotiations were both cordial and fruitful. The secretariat pointed out that the U.S. Treasury secretary listened with great attention to Mexico's explanation of the development and results of the Economic Solidarity Pact. He also expressed great interest in the economic issues underlying the Economic Growth and Stability Pact.

Editorial Questions Cancellation of U.S. Loan
PA1302131189 Mexico City UNOMASUNO in Spanish 6 Feb 89 p 16

[Editorial: "Refusal of Stopgap Loan Surprising"]

[Text] The news that Mexico will not be taking advantage of the U.S. Treasury Department's $3.5-billion stopgap loan toward a program designed to decrease inflation by supporting the endangered Mexican exchange market is surprising, to say the least. According to the succinct official announcement, the reason for this refusal was that "Mexico's international foreign exchange reserves are no longer dwindling" in light of the opening of Mexico's credit line.

This announcement, however, has been made despite an increasingly widespread feeling that our reserves are indeed dwindling down to almost dangerous levels because they cannot sustain foreign exchange. Figures recently released by the Private Sector Center for Economic Studies [CEESP] support this point. CEESP has estimated our reserves to be $7-8 billion, which is half of

what they were 13 months ago and only $1.75-2.75 billion above a critical 3-month import level, which the 1989 economic program predicts will amount to some $1.75 billion a month.

There are three factors that could have halted the decrease of Mexico's foreign exchange reserves since last October. These factors include a halt in the reduction of the trade balance as a result of an increase in nonpetroleum exports, an increase in oil prices, and/or a decrease in imports; an explosive recovery of capital (which would have been reflected in a drop in high domestic interest rates); and a reduction of the foreign debt. None of these things have happened, except for a short-term oil price increase.

It is also possible the stopgap loan was refused because the multilateral loans had already been obtained to make advance payments. This, however, does not seem likely, both because of an unpardonable and crass lack of information on this subject, which is very important for economic officials who are closely watching for a guaranteed exchange stability, and because of the unsatisfactory explanation given in the abovementioned official announcement.

The Finance and Public Credit Secretariat's communique implies that the multilateral credits that will replace the stopgap loan have already been arranged. However, it does not say so explicitly. Should we assume the country already has those resources at its immediate disposal—or should we just believe it is highly probable the country will receive this credit sometime during the next several months? It is important to point out that these questions fall into a void and that it is extremely risky to stir the financial markets' destructive sensitivity, especially considering how nervous they were this past week.

Newspaper To Publish Section on U.S. Relations

PA1102040389 Mexico City EL DIA in Spanish 3 Feb 89 p 1

[Text] Mexico-U.S. relations is the title of a new EL DIA section, which will be published every Saturday under the coordination of Jesus Hernandez Garibay. The purpose of this new section, which starts tomorrow in the pages of EL DIA, mouthpiece of the Mexican people, is to review in depth the structuring of relations between Mexico and the United States, improve on the information already available, and contribute to the understanding of the legitimate interests of the Mexican people in a climate of dignity, respect, and equilibrium.

Michoacan Governor on Electoral Code, Politics

PA1002135489 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 8 Feb 89

[Interview with Michoacan Governor Genovevo Figueroa by unidentified reporter; date and place not given—recorded]

[Excerpt] [Reporter] Please explain to us what you mean by new political opportunities in Michoacan?

[Figueroa] We have invited all state residents, especially members of political parties, since they are organized, to have an open dialogue to exchange ideas and experiences in response to the president's call for all of us to work toward reforming the electoral code and the electoral and political process in Mexico and in Michoacan State.

[Reporter] What is the current relationship among the political parties in Michoacan?

[Figueroa] All political parties in this state are reviewing their ranks and selecting the best qualified candidate, because the local congressional elections are coming up soon.

[Reporter] We understand there are 103 municipalities. There appear to be problems in the Tarasca region municipalities stemming from the July 1988 elections. What is the opposition parties' stance in relation to the situation there?

[Figueroa] There are four municipalities in the Tarasca plateau: Paracho, Cheran, Charapan, and Nahuatzen. Problems have existed there since the beginning of the sit-ins, culminating in the takeover of municipal buildings. A congressional multiparty commission is in that region. The commission is made up of PAN [National Action Party], the National Democratic Front, the Cardenist Front for National Reconstruction Party, and PRI delegates. It is conducting a very thorough investigation of the views of the majority of local residents there. We are certain that the results will be positive and will constitute the bases from which to solve our current problems.

[Reporter] Has the commission not recommended holding a referendum to determine how the people feel about the officials who took over following the July 1988 elections?

[Figueroa] We will soon learn the commission's findings. Today the commission delegates are still in Paracho. They visited Charapan, and I know they will go to Nahuatzen tomorrow. I hope we will learn of the findings this week or next week. I repeat, the findings will surely constitute the bases for a final solution to the problem. [passage omitted]

Government Reports 2,013 Confirmed AIDS Cases

PA1102040689 Mexico City EXCELSIOR in Spanish 5 Feb 89 pp 4-A, 11-A

[Summary] Dr Gloria Ornela, director of the National AIDS Coordinating Board, has reported that there are 2,013 confirmed AIDS cases in the country, mostly in Mexico City, Jalisco, and Nuevo Leon. She added that there are many health centers in Mexico that provide information to help control the spread of this disease.

El Salvador

Armed Forces To Allow Arrival of Rebel Leaders

PA1302191789 Panama City ACAN in Spanish 1807 GMT 13 Feb 89

[Text] San Salvador, 13 Feb (ACAN-EFE)—Salvadoran Defense Minister General Carlos Eugenio Vides Casanova said today the Army will not stop the guerrilla commanders from making their announced visit to El Salvador.

"We do not see any problems with their arrival," Vides Casanova said, adding that "this is a decision of the political parties."

The FMLN announced today that Commanders Jorge Shafik Handal and Roberto Roca will arrive in San Salvador on 17 February to discuss with the political parties their recent political proposal presented to the government of this Central American country.

The general pointed out that the FMLN representatives have come to El Salvador on other occasions.

The Salvadoran guerrillas proposed on 24 January that the Christian Democratic government of Jose Napoleon Duarte postpone the general elections slated for 19 March to negotiate in the ensuing period a new electoral proposal. The guerrillas added that if their request was met, they would recognize the validity of the elections.

When asked about a possible postponement of the elections, Vides said there is no reason for doing this.

The military chief highly valued the Central American presidential summit that began today in the Salvadoran Pacific area and said that "we approve of all events that seek peace."

When asked about the possibility that the summit would make a pronouncement on the need for a dialogue between the Salvadoran Government and the guerrillas, he answered that "if we have to take that medicine, let others also try it."

He pointed out that he was referring to the need to democratize the Nicaraguan regime of Daniel Ortega.

Vides said he was not aware if Costa Rican President Oscar Arias was bringing to the summit a proposal of the Salvadoran guerrilla leaders following his meeting on 10 February with two FMLN commanders.

Guerrillas To Arrive 17 Feb

PA1302190189 San Salvador Radio Cadena YSKL in Spanish 1818 GMT 13 Feb 89

[Text] San Salvador—Guerrilla Commanders Jorge Shafik Handal and Roberto Roca will arrive in San Salvador on 17 February to discuss with the political parties the recent proposal by the rebels to postpone the presidential elections slated for 19 March until 15 September. It is not officially known if Handal and Roca are in El Salvador, but the FMLN has announced their arrival. The rebel commanders will meet with the leaders of 14 Salvadoran political parties on 17-18 February, before the 19 February deadline for submitting presidential candidates as established by the electoral code.

On 24 January, the guerrillas presented to the civil and military authorities of this Central American country a proposal saying that if the elections were postponed for 6 months, they would accept the results of the voting. The Salvadoran guerrillas insist the 19 March elections will only serve to intensify the war and that the 15 September elections would open the path to peace.

In the meeting, the FMLN will answer questions by the political parties concerning the rebel proposal that, without being included on the agenda, will be discussed by the Central American presidents' meeting today and tomorrow on the Salvadoran Pacific coast.

President Jose Napoleon Duarte and the Salvadoran Armed Forces have said the guerrillas' offer is unconstitutional and seeks to divide the state and organization. In contrast, the United States feels the rebels' political proposal is a point that must be considered. The FMLN urged the political organizations to demand the Armed Forces not reject the proposal and abstain from hindering the meeting announced by the guerrillas for 17 February.

The Salvadoran political parties agreed on 10 February to send a joint document today to the FMLN voicing their doubts about the rebels' peace proposal. This questionnaire will be answered by the guerrillas tomorrow, the FMLN announced.

FMLN Issues Communique

PA1402002189 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2336 GMT 13 Feb 89

[Press bulletin issued by the FMLN General Command in El Salvador on 13 February]

[Text] The FMLN General Command, upon learning of the political agreement reached by the political parties on Friday, 10 February, states the following:

1. We will wait to receive the letter that the political parties will send today stating what clarifications they need regarding the FMLN political proposal.

2. The letter will be answered on Tuesday, 14 February, with the understanding that the points presented by the FMLN in its proposal to the parties will be discussed during the talks.

3. The FMLN delegation will be prepared to arrive in El Salvador 3 days later, on Friday, 17 February, as proposed by the political parties.

4. We hope, since the FMLN proposal has received ample support in the country and abroad, that the political parties will assume their unavoidable responsibility by allowing constructive talks to take place. Elections on 19 March will only exacerbate the war. Elections on 15 September would allow the achievement of peace.

5. The meeting must be held on 17-18 February. The deadline for candidate registration is 19 February, and going beyond this date will increase the number of juridical obstacles that some are erecting to preclude the possibility of modifying the current election process.

6. The Salvadoran Armed Forces High Command has issued a statement through Colonel Rene Ponce which says that war is the only solution. The Armed Forces have also reacted by issuing threats against a possible meeting between the FMLN and the political parties.

We urge the political parties to demand that the Salvadoran Armed Forces reconsider this attitude and abstain from prohibiting a meeting that is so important for the country's future.

Military May Seize Power if Elections Changed

PA1402005989 Buenos Aires REUTER in Spanish 0022 GMT 14 Feb 89

[Report by Agustin Fuentes]

[Text] Costa del Sol, El Salvador, 13 Feb (REUTER)—Salvadoran Defense Minister General Eugenio Vides today admitted the possibility that the military may seize power in El Salvador if the guerrilla groups' proposal to postpone the elections is accepted.

Vides asserted: "If President Duarte stays in office 1 more day than he is supposed to, thus violating the Constitution, then the Armed Forces would be obligated to oust him."

"The Legislative Assembly will do so if the Armed Forces do not," Vides told the news media gathered at this Salvadoran Pacific Ocean resort where the Central American summit is taking place.

The Legislative Assembly is controlled by the right-wing Nationalist Republican Alliance (ARENA).

On 23 January, the FMLN offered to respect the results of the country's presidential elections, scheduled for 19 March, if they were postponed 6 months.

The Salvadoran defense minister said that if the rebels' offer is accepted, it would be tantamount "to falling into a trap destined to cause division within the Armed Forces, and between the Armed Forces and other state branches."

Vides explained: "Falling into the trap would mean anyone could have the opportunity for disrupting the democratic process we have achieved simply for the sake of staying (in the Presidency) longer."

Asked if the Armed Forces attitude would change if the elections are postponed based on a consensus among all the political parties, Vides answered:

"Our attitude cannot change because the Constitution is quite clear, and our responsibility is to defend it, not to change it."

Vides said he knows nothing about an alleged offer by the guerrillas to lay down their weapons if the size of the Salvadoran Army returns to its 1980 level.

Nevertheless, he said "if the insurgency disappears, there will be no need for counterinsurgency and then we would reduce the Armed Forces."

According to the reports circulating here, the rebels' offer to lay down their weapons was made known to Duarte by Costa Rican President Oscar Arias during a meeting they held in San Salvador last night.

Vides ruled out the possibility of the rebels laying down their weapons and the Salvadoran Army reducing its size at the same time.

"We are not going to compare ourselves with a group of assassins acting outside the law. It would be as if drug traffickers in a country were to ask for a change in the Constitution in exchange for halting drug smuggling or laying down weapons," Vides said. "I am sure no government would accept that," he added.

The minister said he is sure the guerrilla proposal is not on the agenda of the presidential summit being held in this tourist resort today and tomorrow.

He added that "a Legislative Assembly commission is trying to deal with the FMLN proposal, and it is probable that they (the guerrilla leaders) will be invited to come to San Salvador at some time." He added that they would not be in any danger if they do come.

Further Information on Msgr Romero Murder

Justice Minister To Testify

PA1002212089 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Feb 89

[Report by Alfredo Villarreal]

[Text] Even though he can send the court a sworn statement regarding Msgr Oscar Arnulfo Romero's assassination, Justice Minister Julio Alfredo Samayoa said that he will waive his official privilege and appear at the Fourth Penal Court to testify and to present the evidence he has about the actual perpetrators and masterminds of the Catholic prelate's 1980 assassination.

[Begin recording] [Samayoa] I will answer the judge by waiving the privilege to which I am entitled as cabinet minister.

[Reporter] You will appear [in court]?

[Samayoa] I will appear.

[Reporter] [Word indistinct] this is important. Does it mean that if you do not file a sworn statement, you would waive your privilege and appear in person?

[Samayoa] Yes, I am not afraid because I have nothing to hide. Some avoid testifying even under oath and do not have the courage to appear in court.

[Reporter] [Words indistinct] present the evidence [words indistinct] and something may happen?

[Samayoa] I am not afraid. Other people are afraid to testify under oath or to appear in court or at the prosecutor's office.

[Reporter] Whom are you referring to specifically?

[Samayoa] Well, I do not want to show prejudice. I think you already know who even asked for personal [word indistinct] to avoid testifying at the prosecutor's office or in court.

[Reporter] Well, that was Roberto D'Aubuisson. What did D'Aubuisson want? What was D'Aubuisson's attitude? How can one explain his refusal to testify? [end recording]

Samayoa added that the agenda, an important item belonging to Captain Alvaro Rafael Saraiva from which important data on the murderers was obtained, is in the hands of U.S. authorities. He explained how they obtained it.

[Begin recording] [Samayoa] As far as we know, the original agenda is at the U.S. Congress. It was presented by Ambassador Robert White, as explained in the Congressional Record containing Ambassador White's statements.

[Reporter] [Words indistinct] the United States with that problem?

[Samayoa] That is their problem. They investigate events in the countries as they see fit. [end recording]

The official deplored the fact that Dr Antonio Regalado, who was accused by the driver of having fired the shot that killed the prelate, was not arrested at that time, noting that Regalado is now in Guatemala. In addition, Samayoa said that the Supreme Court has set a very negative precedent by ordering that Captain Saravia be released and by dismissing the testimony of Amadeo Garay, the driver of Msgr Romero's killer.

Commentary Demands Arrest

PA1102044589 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 9 Feb 89

[Station commentary: "There Is Nothing To Explain. The Question Is: Who Is Going To Jail the Murderers?"]

[Text] During prime time, and as part of the electoral campaign circus, Napoleon Duarte went on a national television and radio network to repeat the lie that the murder has been solved, as has often been claimed since Msgr Oscar Arnulfo Romero was murdered. During each election campaign, Duarte repeats what the people—what everyone—has known since the day after the murder: Major Roberto D'Aubuisson ordered the murder; Captain Alvaro Saravia carried out the orders; Dr Hector Regalado actually fired the trigger; the Regalado family—the oligarchy, that is—paid for it; and Duarte had the information and proof more than 8 years ago and has not done a thing.

All Salvadorans know this. There is no doubt everybody knows these facts. Msgr Romero's murder is not an issue that wins votes. The murders, the accomplices, and the accomplices after the fact are unmistakably identified. The Nationalist Republican Alliance and the president of the Constituent and Legislative Assemblies killed him. Colonels Mauricio Staben, [name indistinct], Captain Saravia, Lieutenant Roberto Lopez Sibrian, Maj D'Aubuisson, the death squads, and the Armed Forces killed him. The Regalado family, the oligarchy, killed him.

No one wants to hear Napoleon Duarte's offensive campaign show again, or hear him disclose who killed Msgr Romero. Everybody knows who did that. These are the questions: First, why has Duarte only used this issue during the election campaign, considering that he has had the proof for over 8 years? Second, what good are laws, judges, the police, the government, and the government branches if the murderers are in the National Assembly, the Armed Forces, and luxury homes and no one dares to jail them? Third, what law, what morals, what principles, what despicable interests allow the president of the Constituent Assembly to be the acknowledged murderer of Msgr Romero, to draft the Constitution, and to be a current National Assembly deputy?

Fourth, what spirit, what morals, what justice, and what logic can there be in a Constitution signed by Msgr Romero's murderers and ratified by the president of that Constitutent Assembly, namely Maj Roberto D'Aubuisson? Fifth, what kind of legal system or government is this that lacks the power, the wherewithal, or the courage to jail the murderers? Sixth, is this democracy? Is this the law and legal order that comes before the country's need for peace? Seventh, who can legitimize the situation that prevails in the country, which some people offensively describe as a democratic process?

We want to say that these are the people's questions. The question is not who killed Msgr Romero, but why is there no justice, laws, commitment, or just plain courage to jail the murderers? The question is why Jose Napoleon Duarte omits Col Staben from the list of murderers, although Staben is also on the people's well-known list of murderers? The problem to solve is why there is this attempt to perpetuate this legal order and this alleged democratic system, which has not solved a murder like Msgr Romero's? The question is why there is no serious and official reply to a proposal that offers the country the opportunity to change the fraudulent nature of the elections and give the people the liberty to choose another government? That new government would be responsible for building a true democracy and would have true and legitimate support from the people, endowed with true and legitimate power to do justice, enact laws for the benefit of the nation, and open a true road toward the peace that all the people want.

'Politicization' Deplored

PA1202032689 San Salvador EL DIARIO DE HOY in Spanish 11 Feb 89 p 4

[Unattributed report]

[Text] Dr Hector Antonio Regalado, whom the government has charged with being the creator of the "death squads" and the mastermind behind Archbishop Oscar Romero's assassination, said he might file charges against the former public prosecutor and against the justice minister of the ruling Christian Democratic Party [PDC].

This was asserted by Regalado's attorney Jose Oscar Caballero, who on Friday filed a petition before the Fourth Penal Court demanding respect for the liberty of his client.

Dr Regalado, an odontologist, was the head of security at the Legislative Assembly in 1983. According to official sources, he is currently living in Guatemala.

Caballero said "the government cannot deprive his client of his liberty in his absence, because there is no arrest warrant against him."

Caballero became well known in 1986 when he defended Mrs Gloria Amaya de Santin during the scandal of the "PDC dollars," in which President Duarte himself, his son Alejandro, and the PDC dissident Julio Adolfo Rey Prendes were reportedly involved.

The famous lawyer said the government, through the Justice Ministry and the so-called Crimes Investigation Commission, has committed an offense—in defaming his client by accusing him of the murder—in an effort to politicize the assassination [of Archbishop Romero] for its own benefit.

"I have the testimony of over 25 people who were with Dr Regalado more than 50 miles away from San Salvador on the day and at the time of the assassination," the lawyer said.

Moreover, he said, those witnesses are of "proven credibility" and good reputation in Salvadoran society.

He also strongly criticized the government's politicization of the case, calling it an act of open disrespect to Pope John Paul II, who during his visit in 1982 clearly asked that the archbishop be allowed to rest in peace and that his death not be used for political purposes.

In addition, the lawyer said, the "moral" evidence Justice Minister Dr Julio Alfredo Samayoa claims to have becomes "immoral" when it makes false charges against a person.

D'Aubuisson Comments on Case

PA1202212889 San Salvador EL DIARIO DE HOY in Spanish 11 Feb 89 p 4

[Unattributed report]

[Text] Roberto D'Aubuisson, Salvadoran Legislative Assembly deputy and political leader, has said former U.S. Ambassador Robert White, some members of the 1980 government junta, and former National Police Director Colonel Reynaldo Lopez Nuila could have been involved in the conspiracy to murder Archbishop Oscar Romero.

In a television program, the leader of the Nationalist Republican Alliance [ARENA] accused the Christian Democratic government of covering up the true killers for its own political advantage because it cannot defeat ARENA, the certain winner of the upcoming presidential elections.

After calling for an impartial and objective investigation of the March 1980 murder, D'Aubuisson added that the government has kept Graciano de Jesus Romero, a witness jailed at the Marioana Prison, from testifying. Graciano de Jesus Romero is a former policeman who served under Commander Alfredo Zapata, the National Police's chief of intelligence at the time of the murder. The day of the murder, Graciano de Jesus Romero drove

the man who shot the archbishop to the site of the assassination. Graciano de Jesus Romero picked up the assassin while the archbishop was saying mass at a hospital for cancer patients, according to one report.

"He is a key witness, but they want to keep him hidden. Graciano de Jesus Romero described Msgr Romero's murderer as a tall, heavyset, bearded person, and he added that he picked this person up at a restaurant next to the U.S. Embassy," D'Aubuisson noted.

Zapata told Graciano de Jesus Romero to pick up a man who was waiting by the diplomatic mission, and from there "they went to carry out the deed," D'Aubuisson said.

ARENA's founder said the "government has refused to use this witness because he will ruin the show that the government has staged regarding Msgr Romero's murder. The only thing the government wants is to try to discredit me because I belong to the largest opposition party."

D'Aubuisson remarked that the government has also been reluctant to investigate other possible leads. For example, left-wing groups or the death squads of the 1980 government junta could have murdered Romero.

The ARENA deputy cited an excerpt from the book "The Popular Church Was Born in El Salvador," by Msgr Fredy Delgado. The book's author accuses Marxist-Leninist groups of the murder because the prelate "had betrayed them."

He also mentioned Jorge Pinto's book "The Cry of the Smallest." The book says not one bullet was fired, as the government claims, but several. According to this book, it was not two persons but three who committed the murder. The three fled from the area, protected by National Police patrols.

"Former U.S. Ambassador Robert White, some members of the government junta, former National Police Director Col Reynaldo Lopez Nuila, and other individuals may have been involved in this conspiracy," D'Aubusisson noted. "All of them have tried to hide Msgr Romero's real murderers," he added.

White left the Foreign Service in 1981 when Ronald Reagan took office. Col Lopez Nuila is currently President Duarte's private secretary.

D'Aubuisson said the only thing the Christian Democratic government is interested in is trying to blame him with false documents. He was referring to a radio and television network ordered by the government to give its version of the murder—9 years after it happened.

"This deception only shows the Christian Democrats are desperate because of the lack of support for the candidate they imposed and because of their imminent defeat in the 19 March elections, when the people will throw them out of power for being corrupt, inept, and subservient," D'Aubuisson concluded.

2 Bombs Explode in San Salvador; No Casualties

PA1302125689 San Salvador Radio Cadena YSKL in Spanish 1226 GMT 13 Feb 89

[Text] We have received reports that two bombs exploded this morning at 0600 between 5th Avenue North and Poniente Street, No 27 in (?Laicoe) neighborhood. There were reportedly no casualties, only personal damage. We correct: There was only material damage, no casualties, when the two bombs exploded at Poniente Street and 5th Avenue North.

Guatemala

Nicaraguan Exiles Attempt To Occupy Embassy

PA1302215789 Panama City ACAN in Spanish 2117 GMT 13 Feb 89

[Text] Guatemala City, 13 Feb (ACAN-EFE)—Approximately 10 Nicaraguan exiles tried to violently occupy the Nicaraguan Embassy in Guatemala City today to demand a "flexible attitude" from the Managua government at the presidential "summit" that began today at the Costa del Sol resort in El Salvador.

Ricardo Zambrana Diaz, Nicaraguan ambassador to Guatemala, told ACAN-EFE that approximately 10 Nicaraguan exiles led by Marta Reyes, coordinator of the Nicaraguan Women's Alliance, "attempted to occupy the embassy," which is located in a residential area in the southeastern part of Guatemala City.

The diplomat added that the Nicaraguan Embassy's security guards "had to fire several shots in the air" when the exiles reached the embassy's backyard "with an aggressive attitude."

Zambrana said "the small group of Nicaraguan Government opponents intended to occupy the embassy for approximately 24 hours as an act of provocation while the presidential summit is under way in El Salvador."

Guatemala's National Police immediately arrived but did not intervene, even when Reyes shackled herself to an embassy door.

Ambassador Zambrana stated that Guatemala Department Governor Carolina de Peralta warned the exiles not to stage a demonstration in front of the Nicaraguan Embassy "to avoid creating a climate of unrest."

Luis Sanchez, a Nicaraguan Resistance (RN) leader in Guatemala, said the Nicaraguan Women's Alliance had organized a "peaceful" march to the Nicaraguan Embassy and that embassy guards had attacked Reyes.

Nicaragua

Ortega Reportedly To Change Election Date

PA1402014989 Panama City ACAN in Spanish 0135 GMT 14 Feb 89

[Text] Costa del Sol, El Salvador, 13 Feb (ACAN-EFE)—Nicaraguan President Daniel Ortega today announced at the Central American presidential summit that he is willing to move the presidential elections to the 1st quarter of 1990.

According to a high-ranking Nicaraguan official, Ortega added that after the summit he will resume the national dialogue with the opposition parties.

According to the source, Ortega announced to the other presidents that he "will offer guarantees to the parties so they will participate with equal conditions in the next election."

Representatives from other Central American countries confirmed President Ortega's statement, but they reiterated their opinion that Nicaragua must give more "concrete" signs of democratization.

Panama

Solis Palma on FDP, Elections, U.S. Ties

PA1302121489 Mexico City EXCELSIOR in Spanish 7 Feb 89 pp 1, 28-A

[Report on interview with Manuel Solis Palma, minister in charge of the Presidency, by Luis Suarez in Caracas on 6 February]

[Text] Caracas, 6 February—"We are not afraid of elections; we believe elections are the way people can express their will." "Rifles have only helped maintain the constitutional order." However, the Panama Defense Forces [FDP] is a real power and therefore must play an active role in defending Panama's position as a sovereign and independent nation." [quotation marks as published] Therefore, "I have asked them not to retreat because we would be unprotected and subject to an attack," said Panamanian President Manuel Solis Palma.

Solis Palma also admitted that the role played by the FDP, commanded by General Manuel Antonio Noriega, has increased, although the controversial military leader will not be a candidate in the 7 May presidential elections. Solis Palma said his country feels alienated by the Group of Eight but "is not bitter" about it and has no differences with the group. However, he expressed his concern with the fact that some Latin American governments do not understand that the democratic model in one country is not applicable to other countries, stressing that Panama respects the democratic models in other countries.

Solis Palma said that in his opinion, President Bush has the opportunity to change Reagan's policy toward Panama, but "thus far there are no signs that this will happen." Although Solis Palma was close to former U.S. President Carter, who signed the canal treaties with General Torrijos for the return of the canal to Panama's sovereignty, they did not meet here. Solis Palma said Carter had good intentions, but his proposals to end the conflict between Panama and the United States were unacceptable. Solis Palma said: "Carter has good intentions, but he is still an American."

Ending speculations about Noriega's presidential candidacy, the government forces grouped in COLINA (National Liberation Coalition) under the leadership of the Democratic Revolutionary Party have nominated Carlos Duque for president and Ramon Sieiro and Aquilino Boyd for first and second vice presidents, respectively. Meanwhile, the opposition supports Guillermo Endara for president and [Ricardo] Arias Calderon and Guillermo Ford for vice presidents.

I reminded President Solis Palma that when I interviewed him in Panama last March, his country was facing a political, economic, and military crisis. In comparing the current situation with what existed at that time, he said he believes the economy and fiscal revenues are improving, which has made it possible to carry out health, education, and road projects. Regarding the military aspect, he said it was only necessary "to suffocate a rebellion that had no consequences." In the political arena, uncertainties and disorders are over, and there is now peace in the country. However, he admitted the country "is still suffering the effects" of "the arbitrary U.S. retention of between $22 and 25 million dollars per month from Panama's accounts and from the canal's income. This has a great impact on Panamanian finances and the development of government plans."

When asked if it could be said that the situation in his country is stable, or almost stable, from the political and social viewpoint, he said:

"I would say it is almost stable, because the United States, supported by a certain group, continues to create difficult situations to harm Panama's image abroad, which prevents the stabilization of some areas of our national economy such as the banking sector—which has not yet recovered the high level of confidence it once had—and the construction industry, which is one of the most affected economic areas."

[Suarez] Since the Legislative Assembly declared you in charge of the Presidency, have you been able to fully exercise your constitutional powers without any manipulation from other forces, such as the military?

[Solis Palma] It is said that there is subordination to the military forces. However, the truth is we have agreed on many things. There is a great unity concerning national

problems, and we have worked together to find solutions, without trying to have one force dominate the other. I see in the FDP great support to carry out my work. I begin by recognizing that the FDP is a real power in Panama and that it has a specific role to play.

[Suarez] How would you define it?

[Solis Palma] Within that effective force, there is an agreement with my way of thinking, with our decisions, which are those of making Panama a sovereign and independent nation. The FDP has that same objective, it has been carrying it out, and I have it as president of the Republic. What we do is coordinate our efforts to achieve a common goal.

[Suarez] And have you ever felt pressured?

[Solis Palma] At no time have I felt subordinate to the FDP, but rather an ally in that common effort, just as they feel they are the allies of the president of the Republic. I have openly asked the FDP not to withdraw into their garrisons, because if that happened now, it would be like taking away that which is holding back the aggression Panama has been enduring, and would leave us unprotected. The FDP is the most solid organization in the country, with the most appropriate structure to confront any attempt to subordinate national interests to foreign interests. If civilian power were to ask the military power to withdraw, it would be like saying: Weaken us so we will be the victims of more effective and clear aggression. We are not going to allow that, because I insist on being, first of all, a Panamanian and not one who surrenders to foreigners. I am very pleased to be an ally of the FDP, because I will always be sharing with those who believe in the fate of the Panamanian nation.

[Suarez] Does this mean the role of General Noriega and of the FDP has, far from decreasing, increased?

[Solis Palma] It has increased, and I believe that civilian power, acting in good faith with the Panamanian nation, should maintain the FDP's power so that together we can wage the final battle for the recovery of national sovereignty.

When we asked Solis Palma if calling for elections on 7 May was only to comply with the Constitution or due to pressure, he answered that "it is a little of everything. On the one hand, there is the constitutional mandate that is weighing on us, because we have always been willing to maintain constitutional order and my term expires next August." He added that "it would have been easy to have openly staged a coup d'etat and kept the government in power for the necessary amount of time, but we thought we should follow the Constitution. That is why last year we sought the solution from the Constitution, which provides that the cabinet choose a cabinet member to take over as minister in charge of the Presidency."

[Suarez] You are not afraid of the elections?

[Solis Palma] We are not afraid because we believe that every now and then, the country should be able to openly express itself, and we are so confident that the people will know how to determine—with their votes—who should rule the destiny of the fatherland, and that they will not turn the country over to those who use the U.S. Embassy as a center of coordination and a base for presenting to the world a platform that is apparently democratic but would actually sell out the country.

[Suarez] Could it then be said that soon in Panama the votes will fully replace what is now represented only with rifles?

[Solis Palma] In 1964, the votes expressed the people's will, and not what some think is the power of rifles. That power has only served to maintain constitutional order from the beginning. Some would have wanted those rifles to play another role, like to surrender to the United States—something that will not happen. I can guarantee you that if that power of the rifles had reached an agreement with some of President Reagan's envoys to invade Nicaragua or to extend the U.S. presence in Panamanian bases, today they themselves would be the first to say that the FDP represents the people and that they should maintain that sacred institution, and so forth. However, because the FDP's position has been totally different, it is said that the FDP is upholding the government. We want to show in the elections that the people's forces are the ones who have been doing this. Otherwise, it would not have been possible to support the country for 2 weeks during this very profound crisis.

[Suarez] Do you have any hopes under President Bush?

[Solis Palma] Up until now, those hopes are mere meditations. A change in the U.S. Government should logically allow the new U.S. President to change his predecessor's policy toward Panama specifically, and toward many other countries. Logic tells me it should be that way, but up until now there have been no signs of any deep or serious change in U.S. policy toward Panama.

[Suarez] Why do you not expect a change of policies?

[Solis Palma] The problem between Panama and the U.S. Government will never be solved if it is a confrontation between conflicting interests, and if the United States—as long as the Canal bases are not delivered to it—feels it has to carry out actions against Panama and has to find ways to impose a Panamanian Government that will allow them to stay in Panama by changing the terms of the Torrijos-Carter treaties and the rules of the game. We will struggle not to allow the U.S. bases to remain in Panama.

[Suarez] Panama is one of the original members of the Group of Eight, but its participation in the group has been temporarily suspended. Do you feel bitter about, left out by, or in disagreement with the Group of Eight's policy, which is currently a group of seven countries?

[Solis Palma] We are left out. We cannot help but feel that, because it is a fact. We are not bitter at all. We do not disagree with the Group of Eight's policy, but we believe the Group of Eight has taken a very particular political stand. It demands the existence of a similar democratic model in each of the member countries. They are saying Venezuela's democratic model, which I respect very deeply, should be established in Panama, although our country lives under different circumstances. We do think the Group of Eight member countries must agree on specific issues such as respect for human rights. I agree with that, because respect for human rights means freedom. We believe we have a high level of democracy in Panama with all the deficiencies that all of the democratic countries of the world have. The advantage is that a democratic system allows the rectification of things not being done adequately. I believe democracy is the best political system ever, but for us there are basic elements of democracy such as the participation of minorities and the community and the solutions to the problems of downtrodden urban and rural areas, poor education and health systems, and communication—all which must be taken into account to have a truly effective and pragmatic democracy. There are important aspects of formal democracy we respect, but we will not surrender our sovereignty and dignity to the concept of formal democracy.

[Suarez] Does it bother you that some Latin American leaders have not understood the Panamanian situation that way?

[Solis Palma] It does not bother us, but we are concerned that they cannot understand the problem, that they do not try to understand the basis of the problem. We are concerned, because they do not see what is at stake in our country. Our case is different than other countries. For example, when the news that President Carlos Andres Perez had invited Fidel Castro to his inauguration was known, the U.S. ambassador to Venezuela protested. Yet, the Venezuelan opposition Social Christian Party [COPEI] was the first to say: "Mr Ambassador, you have no right to meddle in this issue." I felt that reaction was very positive. I thought: If one day COPEI attains power here, I might not agree with its doctrine, but I will recognize it acted as a Venezuelan political party in this case. When in Panama, I see that the local opposition shares the desires of the U.S. Embassy there, I do not see a Panamanian attitude in the opposition, and I am concerned people who do not have feelings for the homeland could attain power in my country.

[Suarez] President Solis Palma told me he has not met with former U.S. President Carter, who signed the canal treaties, because he knows Carter has proposals that are now unacceptable. Furthermore, Solis Palma believes the treaties contain many bad things. He recalled that after signing the treaties, Torrijos himself said: "We are still under the U.S. umbrella."

Noriega on Arms Trafficking in Latin America

PA1402035089 Hamburg DPA in Spanish
0200 GMT 14 Feb 89

[Text] Panama City, 13 February (DPA)—General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces [FDP], today denounced arms trafficking in Latin America and reasserted his pledge to protect borders so that peoples and governments are not destabilized.

In statements to the West German news agency DPA and Radio Caracol of Colombia, Noriega mentioned recent Panamanian media reports of involvement by U.S. Southern Command members in arms trafficking, saying: "The Colombians are so critical and judicious, they should take advantage of this opportunity to determine where the truth lies in this matter."

Noriega was referring to Panamanian-British citizen David Michael Eveleigh, who was recently involved in a large arms deal with Colombian guerrilla organizations. Eveleigh's house was raided by Panamanian authorities, and it was asserted that Captain Kerry Costello was found in one of the rooms. According to a local newspaper, Costello works for a high-ranking official of the U.S. Southern Command with headquarters in the Panama Canal area.

Noriega referred to the United States saying that "it has issued a lot of demagogic criticism, showing who has plans to destabilize peoples and nations."

Asked if Panama should fight the weapons traffickers, Noriega said: "We are ensuring that our territory is not used for that kind of contraband activity."

Noriega was also asked if he had any message for Colombian President Virgilio Barco now that it was clear that Panama had not participated in the highly publicized arms trafficking case from Jamaica to the Colombian guerrilla groups. Noriega said: "President Barco and his advisers have a great opportunity to find out the truth and to learn of the Panamanian people's friendship."

The FDP commander in chief denied that Venezuela President Carlos Andres Perez had sent him a message through Manuel Solis Palma, Panamanian minister in charge of the Presidency. When asked about the presidential summit in El Salvador, the FDP commander in chief said: "All the meetings at which there is a dialogue at the highest levels are always successful. Even if nothing specific is achieved, the mere fact that two leaders sat down and talked reduces differences and violence."

Noriega Invites Opposition Candidates to Dialogue

PA1302221489 Panama City ACAN in Spanish 2037 GMT 13 Feb 89

[Text] Panama City, 13 Feb (ACAN)—General Manuel Antonio Noriega, Panama Defense Forces [FDP] commander in chief , today invited the opposition parties' presidential and vice presidential candidates to participate in a dialogue to discuss guarantees for the 7 May elections.

"We hereby invite the members of the opposition tickets to meet with us to share their views," Noriega said during a meeting with the progovernment coalition candidates.

Noriega, the "strong man" of the Panama regime since 1983, asked that the participants in the election show "respect" for one another to avoid provocations that could "discredit the elections."

The National Liberation Coalition (COLINA), which groups the eight political parties that support the current regime, and the Democratic Opposition Alliance (ADO), which has frequently denounced the lack of electoral and constitutional guarantees for the elections, will compete in the 7 May elections.

The COLINA presidential candidate, industrialist Carlos Duque, and vice presidential candidates Ramon Sieiro and Aquilino Boyd today visited Noriega and the FDP staff at the FDP general headquarters in Panama City.

Noriega warned against the danger of what he called "a fifth column," which, he said, might "orchestrate provocations to discredit the elections.

A bomb exploded recently at Televisora Nacional (TV-2), a private television station for which Duque is chairman of the board.

The progovernment press attributed the attack to the opposition, asserting that the ADO already feels "defeated," but ADO presidential candidate Guillermo Endara said he suspected this was a self-inflicted attack.

COLINA Candidates Meet With Noriega 13 Feb

PA1402010389 Panama City Televisora Nacional in Spanish 2345 GMT 13 Feb 89

[Report on a visit by progovernment presidential candidates to Panama Defense Forces headquarters on 13 February; passages within quotation marks recorded]

[Text] The candidates of the National Liberation Coalition, COLINA, Carlos Duque Jaen, Ramon Sieiro, and Aquilino Boyd visited Panama Defense Forces [FDP] headquarters today. The presidential and two vice presidential candidates were accompanied by several members of the COLINA parties' national executive committees. The visitors were received in the Yellow Room of the FDP headquarters by FDP Commander in Chief General Manuel Antonio Noriega and members of the General Staff.

Speaking on behalf of the candidates, Carlos Duque outlined the reason for the visit to Gen Noriega.

[Duque] "I wish to thank the FDP commander for the opportunity that he extended to us to come here as members of the COLINA ticket accompanied by other COLINA members. We have come to introduce ourselves and to reiterate our recognition, as COLINA members, of the FDP's contribution to the movement of national liberation and the people's struggles.

"We reiterate our trust in the Electoral Tribunal and the FDP as institutions, and we wish to ask the commander and the General Staff to ensure that the next elections are a broad and democratic contest in which respect prevails. We will be the first to respect our adversaries, and we request that similar respect be shown to us. Let nothing disrupt the social peace that currently reigns in this country. We promise to respect our institutions and laws and to comply with the electoral process to the letter.

"We know that the FDP will guarantee that the elections serve their purpose."

For his part, the military commander in chief said the following:

[Noriega] "Along with the General Staff present here, we acknowledge the words, the message, of the main candidate, who has been the spokesman for all of you. The FDP takes this opportunity to tell the other candidates that it would be nice if they could come here to this institution, in the same way, with the same attitude, without pressure of any kind, so that we could hear their comments.

"We believe that to the extent that there is respect among adversaries, there will be a measure of security. We want to believe that the election campaign will be a Panamanian campaign, without a fifth column orchestrating provocations that could discredit the elections, which are being carried out in line with the provisions of the law.

"We thank all of you for your presence here. Various points of view and political philosophies are represented here, so we are meeting with people who are different ideologically, politically, and socially. That is the value of today's meeting. That is the value....[changes thought] We again state that at this moment, we are inviting the members of opposition tickets to visit us and to express their opinions. We repeat that to the extent that there is

respect for people and laws and for the rules of the game established by the Electoral Tribunal, we will be strengthening what all proclaim but do not practice: democracy." [applause]

Gen Noriega was then questioned by local and foreign newsmen on various topics.

[Reporter] "General, what will that strengthening of democracy that you pledged today mean for the dispossessed and the Panamanian people in general?

[Noriega] "Well, the FDP will actively pursue such a strengthening. We have not given up our work with the communities.

[Reporter] "General, the Southern Command's explanation of the arms smuggling reported by a Colombian newspaper has elicited serious reactions. Are these reports true?

[Noriega] "Well, since the Colombians are so critical and judicious, they should take advantage of this opportunity to determine where the truth lies in this matter."

'Progovernment' Candidate on U.S. Relations

PA1302182189 Panama City ACAN in Spanish 1712 GMT 13 Feb 89

[Text] Panama City, 13 Feb (ACAN-EFE)—Progovernment presidential candidate Carlos Duque said today he is willing to improve relations with Washington. However, he warned, the United States should not meddle in Panamanian affairs, such as the permanence of Panama Defense Forces [FDP] General Manuel Antonio Noriega at the FDP command.

Duque asserted that relations with Washington depend on "mutual respect" and that "no country has the right to say what should be done inside a Panamanian institution such as the FDP."

"President Bush and Secretary of State James Baker should know we are not anti-United States, have no animosity against the United States, believe in holding dialogues, and believe in the need to improve U.S. relations," Duque said during a breakfast with foreign press correspondents.

"We are open to dialogue and negotiations with the United States, with mutual respect," the presidential candidate, 59 year-old businessman, and personal friend of Noriega emphasized.

Duque and the candidates for the first and the second vice presidential posts for the National Liberation Coalition (COLINA), Ramon Sieiro and Aquilino Boyd, respectively, assured reporters that they hope Bush and Baker will correct "errors" by former U.S. President Ronald Reagan regarding Panama.

"We expect Bush will correct the errors. Baker has already said Reagan's sanctions against Panama were an error. If they are going to correct their actions, we are willing to reach an agreement," Boyd said.

Duque added that upon assuming power, "we are going to maintain close relations with the FDP; we are going to govern with their help."

"The FDP is necessary to set the course and direct the government. However, they are going to leave us complete freedom to govern," the presidential candidate clarified.

Duque said he will have a "national unity government" and added that he expects "cooperation from all parties." However, when asked if he were offering participation in the cabinet to the opposition, Duque clarified his was not a "bureaucratic offer."

Regarding the opposition's demand that the closed media be reopened, the candidate said he believes in freedom of the press, but that in the case of newspapers that have a legal process pending, "it is not in our hands."

Duque, president of a television station, said that in Panama there are radio and television stations open to the opposition candidates. Therefore, it cannot be said that there is no freedom of the press in Panama or that the election process is being held without democratic guarantees.

Asked about the return of exiles, he said he does not know of any Panamanian who has not left "on his own will or because he has legal problems pending."

Duque, Sieiro, and Boyd again denounced the "aggression" of the Reagan administration against Panama, which according to the latter has devastated Panama's economy, increasing unemployment to more than 20 percent and slicing economic production "by 40 percent or more."

The presidential hopeful rejected the opposition's argument that on 7 May, regardless of the candidates on one or the other side, the Panamanian people will hold a plebiscite as to whether or not Gen Noriega should stay in power.

According to Duque, the Panamanian elections will decide "whether they want to be a colony or a free country," adding that COLINA represents the nationalist spirit and continuation of the ideals of the late General Omar Torrijos, first "strongman" of the regime established after the 1968 military coup.

Regarding the economy, Duque said he favors Panama's continuing "with the dollar currency." In this country U.S. currency is the only legal money because bills or coins of the balboa, which is the national currency, are minted.

Duque added he will promote Panama's commercial opening toward new areas, specifically citing Japan, China, and Korea.

The candidate said that as part of the foreign aggression, it is said that Panama is a "drug-trafficking center, when this country is not a country that produces or consumes drugs."

He also rejected the charge that Panama's banking center is dedicated to the "laundering" of drug-trafficking money.

Editorial Criticizes Parties' Lack of Ideology

PA1302183889 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Feb 89 p 4-A

[Editorial: "The Proven Inconsistencies of Our Political Parties"]

[Text] On different occasions, we have referred to the Panamanian political parties' lack of ideology, programs, and clear contents. Almost all are parties that only live for the electoral moment. It is undeniable that their main purpose is to struggle for victory and attain power. We have repeatedly noted that our organizations uphold Friedrich's definition of a political party as a group that forms a stable organization with the purpose of attaining and maintaining the control of government for their leaders with the ultimate goal of giving party members benefits and material advantages. Panamanian politics apparently develops along this line of interests; we can see no other objective in the midst of our political reality.

The lack of ethics, ideas, and soundness, and the predominance of personalism in the functioning of our political parties was irrefutably evident with the events that took place at the end of the period given by the Electoral Tribunal to present the candidates to different posts for the 7 May elections. Partisan inconsistency was especially visible in the candidates for legislators, deputy legislators, and corregimiento representatives. The lack of charismatic appeal of most of the parties' candidates for legislators and corregimiento representatives could not be hidden. It is true that in many cases and for strategic reasons the political parties had to present candidates that belong to another political organization. Nevertheless, it is also undeniable that many of the parties did not have members in important sectors of the country they could present as candidates to these posts.

We are sure that when the May elections come, these parties will not receive the Panamanian people's support and, consequently, they will not attain the votes legally required to continue as valid parties. Despite the fact that the proliferation of political parties projects a democratic image, it does not ensure that the administration that emerges in the upcoming elections will have an easy road. The scramble for political openings as a new formula to compensate for lack of electoral activism has been ruinous to the proper functioning of public administration in past years. The negative experience of having small republics within our country has fettered the management of our public affairs with incoherence, indiscipline, and even anarchy. The existence of many political parties in the country is not the best way to lead the country on the road to a functional democracy.

The essence of the upcoming elections is detracted and Panamanian democracy is undermined by the political parties' evident programmatic and ideological fragility and the instability of its membership. These inconsistencies are evident by the large amount of persons who wanted to be candidates and have switched to another political organization simply because they were not designated as candidates by their original party. These political games turn the upcoming electoral process into an unenlightening circus show. After the emotional electoral storm is over, the Panamanian people will be picking up the pieces of most of the political parties that are aligned with the different political alliances. These parties will necessarily have to confront the people's verdict that they lack support.

These events make us ponder that, regrettably, the upcoming elections will not be the road that will lead us to the solution to the problems presently suffered by all Panamanians. The country's political, economic, moral, and social crisis will not be adequately corrected with these elections. Only with parties that have a solid structure and pure ideals will we be able to achieve what we all strive for: a truly democratic, totally free, and fully progressive nation.

Column Lists Southern Command 'Hostile Acts'

PA1302191589 Panama City MATUTINO in Spanish 13 Feb 89 p 4

["Let the People Judge" column by Ricardo Lince: "Command of Instability and Joint Lies"]

[Text] What is behind a series of U.S. Southern Command hostile acts in the past few weeks ranging from communiques clarifying previous false communiques, espionage activities in rental vehicles, provocations of the defense forces using classic harassment tactics, to the transit of weapons from Costa Rica to Panama and Colombia? All of these things are being promoted, organized, and fostered by the Southern Command. Is it part of a plan to underscore U.S. support for Panama's political opposition that needs the U.S. military presence now that the National Liberation Coalition, COLINA, is becoming an overwhelming force whose enthusiastic support and nationalist feeling is growing?

A State Department document, drafted by a high-level U.S. espionage team, provides a clue to their strategy. It describes the mechanism used by the superpowers in their psychological war of disseminating lies, known as disinformation, and deception operations to manipulate opinion and influence the people's political decisions. The document is exceptionally valuable because the techniques that the United States attributes to the USSR are the same ones that the Defense Department is applying in Panama's case through a publicity campaign. This, and inventions to discredit Panama are used jointly with a new network of military roads on the Costa Rican border that would be used to launch a military takeover of the Chiriqui and Bocas del Toro Provinces. This is accompanied by charges against the Panamanian banking system.

Chapter V of the document condemns the Panamanian authorities for disseminating the story that the United States created the AIDS virus as part of its biological war effort. That is another big lie because the Health Ministry spokesman Dr Agustin Luna has said that a large number of AIDS cases were imported mainly from the United States; that 74 percent of AIDS victims contracted the disease abroad. The U.S. created this controversy and is making the mistake of letting it be clarified and also repeating it.

The charges leveled by the two great powers against each other show how far lies can take them. For example, the USSR has accused the United States of creating an ethnic bomb capable of selectively killing people of certain races or gorups. This document reveals that the strategy underlying the most recent campaign of aggression, harassment, and insidious lies is to project an image of Panama as a threat to U.S. security; and to introduce the climate of instability and fear that they need to discredit and nullify the nationalist victories of COLINA in the elections.

(This article was sent to colleagues of newspapers on the continent.)

Dominican Workers Party Expresses Solidarity

PA1302154589 Panama City LA REPUBLICA in Spanish 12 Feb 89 pp 1-A, 8-A

[Letter sent by Dominican Republic Workers Party [PT] to Minister in charge of the Presidency Manuel Solis Palma and General Manuel Antonio Noriega; delivered to Ambassador to the Dominican Republic Franklin Raymores; dated 1 January]

[Text]Dr Manuel Solis Palma, minister in charge of the Presidency of the Republic of Panama

General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces

Dear Latin American brothers:

In 1988, you, leading your people, were able to face the rude and dangerous threat, provocations, and interventionist actions the United States unleashed against the Panamanian people's right to self-determination. We are pleased about this, and earnestly hope that in this new year, 1989, Panamanian patriots—under your courageous leadership and supported by the force of reason and justice and by the solidarity the Panamanian cause of sovereignty and independence deserves—will consolidate the process that will return to the Panamanian people the total control of the canal zone land, waters, installations, and benefits generated by the canal activities.

Once again, the PT Central Committee reiterates to you its friendship and solidarity with your worthy and noble cause.

The friendship and solidarity between the Dominican and Panamanian peoples shall flourish even more!
For the PRD [as published] Central Committee
Jose Gonzalez Espinoza, president
Esteban Diaz Jaque, secretary general

Government, Opposition on Nicaraguan Canal

PA1402000889 Panama City ACAN in Spanish 2257 GMT 10 Feb 89

[Text] Panama City, 10 Feb (ACAN-EFE)—Panamanian Government officials and politicians reacted cautiously and with certain skepticism to the announcement made today by Nicaragua about the construction of a new canal between the Atlantic and Pacific Oceans in southern Nicaragua.

Almost all the people who were asked to comment on the subject noted Nicaragua's intense seismic and volcanic activity as a negative factor for the project.

The Panamanian Government officials who were questioned by ACAN-EFE chose to maintain an official silence on the subject until there is more information about the new canal. The politicians agreed that it was the prerogative of a sovereign nation such as Nicaragua to develop projects that would benefit it.

Carlos Duque, the progovernment presidential candidate for the 7 May Panamanian elections, stated to ACAN-EFE: "All new routes are positive for international commerce. The project will benefit Nicaragua. It has been studied for a long time and could be feasible." He added: "Apparently, however, in the future, land routes are going to replace waterways."

Juan Jose Amado, the Panamanian Government representative to the Tripartite Commission, which, with the United States and Japan, studies future alternatives to the present interoceanic channel, stated that, to his knowledge, the Nicaraguan canal would not represent important competition.

In his opinion, "Panama need not worry" about a project that he compared to the one in Colombia's Choco Department that serves low-draft barges, and which would not be as large as the Panamanian waterway, which serves large-tonnage ships.

Amado stated to ACAN-EFE that the Tripartite Commission's objective is to keep the Panamanian route "competitive enough to eliminate competition from any other canal."

"It is Panama's responsibility to ensure that our canal does not become obsolete and that alternate routes do not interfere with it," he added. Amado continued by noting that in any case, "Nicaragua is a sovereign nation with the right to develop its projects and we Panamanians would look bad if we opposed it."

Ramon Sieiro, the progovernment vice-presidential candidate, responded to our inqueries in a similar manner. He told ACAN-EFE: "We cannot stop another country from building a canal. We welcome competition and hope the project will benefit Nicaragua."

Amado and Sieiro agreed that Nicaragua must resolve the problem of that country's intense seismic and volcanic activity in order to construct a Nicaraguan interoceanic channel.

Sieiro pointed out: "I do not think the Nicaraguans can have a canal like the one in Panama because of the active volcanoes and frequent earthquakes." Amado said these natural phenomena will preclude the construction of structures in Nicaragua, such as dams and locks, that are necessary for an interoceanic waterway capable of accomodating deep-draft vessels.

In addition, Guillermo Endara, Panamanian opposition presidential candidate, told ACAN-EFE that although the idea of a Nicaraguan canal is a "very old one," the Sandinist government's announcement "took me by surprise." He added that he wants to receive more information before commenting further.

Finance Minister Comments on Economic Crisis

PA1302160889 Panama City Televisora Nacional in Spanish 0311 GMT 13 Feb 89

[Interview with Finance Minister Orville K. Goodin by Luis Manuel Martinez, at the Televisora Nacional studios in Panama City—live]

[Text] [Martinez] Dr Goodin, who is really to blame for the situation that Panama has suffered since 1987?

[Goodin] The U.S. Government has been trying to convince people, both here and abroad, that this is a purely domestic crisis. But, if we examine the situation, we can clearly see the cause of the country's economic problems. The banking system, an integral part of the Panamanian monetary system, was the first to be attacked in June 1987. The attempt to drain the domestic and foreign resources that backed credits in Panama succeeded in bringing the construction industry to a halt. Panama Chamber of Construction [CAPAC] and Single National Union of Construction and Related Workers [SUNTRACS] can tell us that construction, which is very important for the country because of the number of jobs it provides and its relation to the manufacturing industry, has decreased markedly. Even after the already meager support for the Panamanian Government through AID loans was suspended—the loss was relatively small and did not cause many problems although it affected important programs such as the Guaymi, the southern Veraguas, and some small-scale enterprise programs—the banking system was attacked again by the attempts to make the country another Lebanon through the recognition of the government of former president Eric Arturo Delvalle. There were efforts to make it appear that two governments existed in opposition to each other in Panama. This is solely a U.S.-originated fiction because Delvalle was deposed according to the Constitution. But this created additional problems for the economy. The banks were closed for 63 days, a very unusual occurrence, and this within a system so vulnerable that nobody thought it could resume operations. Our financial system, in which more than 90 percent of the transactions normal to this system took place was paralyzed. Economic activities decreased markedly as a result.

[Martinez] Not to mention its prestige.

[Goodin] Of course. This culminated in the sanctions officially imposed through the U.S. Government Decree 12635, which enabled the U.S. Government to wage economic war on Panama without officially declaring it. It worked for U.S. domestic purposes only. An attempt was made to block all revenues that the country would receive from service exports. We are a majority partner in Petromineral of Panama and yet we have collected neither taxes nor dividends from this corporation. Yet the country has continued to function. The U.S. Government has violated the Torrijos-Carter treaties in a corporation that serves the world. Panama's share of the canal tolls has not been delivered to Panama. All U.S. enterprises and employees have been forbidden to pay their taxes to the Panamanian Government.

They are withholding the taxes of the canal area workers without passing them on to the Treasury, thereby causing those employees to fail to comply with their obligations toward the Treasury. This is another treaty violation.

This measure has one objective: to destroy the Panamanian economy. Because of the intensity of the financial blockade implemented against the National Bank, it was thought that Panama could not survive this type of war for more than 1 month, and all their plans were based on that preconception, but 1 year, [changes thought] 10 months have gone by since the implementation of an executive decree that has nothing to do with former

President Delvalle and we are still here. Delvalle had no role whatsoever in the drafting of that decree—it is entirely the work of the Reagan administration, which invoked wartime powers.

All this has weakened the Panamanian economy. Government economists, private sector economists who had been supporting the Civic Crusade, and international organizations such as ECLA and the IMF—the fearsome IMF—agree that the economic sanctions have caused a clear deterioration in the Panamanian economy. But they themselves have said that this was their intention. U.S. Senator Damato said that he was going to slit Panama's throat, and they tried to do it. They tried to bleed Panama to a state of collapse, which caused dismissals in the private sector, reduced working hours, and reduced salaries. All this has happened in the private sector. They do not understand how the government has been able to cover the public employees' payroll.

The IMF is surprised at the relationship the government has managed to maintain with the public employees. The IMF asked them why they accept the current situation and continue to work and produce. They are doing it for a single reason: the Panamanian people believe in themselves because of their nationalism. This is why when the banks reopened there were no long lines and no rush—the Panamanian people realized that such an action would be an attack on their own identity.

We clearly understand who is to blame: the Civic Crusade, who, conspiring with U.S. Ambassador Davis, have called for intervention. The plot was organized and backed by Washington through President Reagan.

[Martinez] In addition to requesting such a measure, there have been pickets in front of the IDB requesting that loans already granted be suspended. They have demanded misery in this country on behalf of democracy. How paradoxical: democracy and hunger.

[Goodin] This is because they are only interested in the formal aspects of democracy, in the voting, and in a political program that does not satisfy the needs of the majority of Panamanians. They propose plans that satisfy only a few. So, we are not surprised that state revenues have been reduced by more than 43 percent. The U.S. Government alone has stopped more than $165 million that belong to the Panamanian people. The Treasury receives revenue to redistribute it, to provide services, and to make the investments the people require.

[Martinez] Is there any solution in sight to the problem of the income and education tax that employees of U.S. enterprises pay. Is there any solution in sight? What is happening is a form of theft, of taking what belongs to somebody else.

[Goodin] That is true. We are talking about relatively large amounts of money. Nationally, we are speaking of about $35 million.

[Martinez] What about Petromineral of Panama [PTP], and all those institutions? Mr Minister, what is the total amount of revenue that Panama has not received as a result of this situation?

[Goodin] In 1988, Panama failed to receive more than $165 million, that is, the Central Government failed to receive this. In addition to that, another $50 million belonging to the National Bank is being held. The National Bank is, in effect, a bank invaded by a foreign power.

[Martinez] Now we are in a situation in which nobody understands how Panama can survive. Can you explain, as finance minister, where the secret lies? How has Panama ridden this storm?

[Goodin] This shows the Panamanian people's will to struggle, and to continue being Panamanian; their civic spirit in coping with their current circumstances; their willingness to adapt, to create, and to participate in the creative things the government has done. Also, the people have been creative when using the tools the government has devised, such as the split checks [cheques fraccionados], the investment certificates [cedis]—a full range of tools.

[Martinez] And the barter transactions.

[Goodin] The barter transactions among the various groups. All this has allowed us to stand up to this great power. Actions like this have only been taken against Libya and Iran, and now Panama, a country that is their friend.

[Martinez, interrupting] What friendship!

[Goodin] ... and partner.

[Martinez] I wonder how things would be if we were not their friends and partners. Do you see, then, any possibility of finding an immediate solution to the tax question, the education insurance, and all that?

[Goodin] We in the government have been handling this quite flexibly. We have allowed some people with health problems to obtain their tax clearance certificates to travel and get their treatment. Similarly, we have allowed workers needing training or instruction abroad to receive their tax clearance certificates because we know that these are the Panamanians who will be handling the canal after the year 2000 and it is in our interest to maintain their training programs.

We have also been pretty flexible regarding the implementation of the law and the well-kwown attachment proceedings. Allow me to read the articles that empower and order the Treasury Ministry to begin an attachment proceeding. Decree Law No 109 of 7 May 1970, which is part of the Fiscal Code, subheading number two reads: Jurisdictional and Auditing Duties, Article No 16. The

National Revenues Director and regional revenues administrators are authorized to begin attachment proceedings to collect payments due the national treasury.

Article No 17 reads as follows: In order to implement their auditing duties, the National Revenues Directorate personnel will be authorized and empowered to ensure taxpayers make correct and accurate payments. Here is where the attachment orders fit in. We have not enforced these articles yet at the employees' request. Moreover, it has been more than 90 days since the request was made, and the employees of all U.S. companies in Panama must ask their employers to comply with the local fiscal laws. Otherwise the government will have to do its job and enforce the law.

Why? Because $35 million represent health, education, highway maintanance, and food production to the people of Panama. However painful it may be to implement the law against them—because it is not the employees who are at fault—we must do our job. Yet, they must understand that 2 million Panamanians are suffering. They must, therefore, go to their bosses and, at the very least, demand—based on the labor code under which they work—to be given back the monies which have been withheld from them and not forwarded to the Treasury. This way, it will be up to the employees to decide whether or not to pay. This is not a discriminatory measure against those working in the Panama Canal area. We have the same situation with [U.S.] companies working in Panama. There are some employees who flatly say they do not intend to pay the government, thus contributing to the antigovernment schemes. We will enforce the law against them harshly.

[Martinez] So now we have something else to consider. Every dramatic development has some positive outcome. What lessons have we learned since June 1987, when the imperialist attempt to strangle this small giant called Panama began?

[Goodin] I think we have learned and earned many things. First, the people have maintained their identity. They are determined to liberate the country. The timetable set by our spiritual leader, Omar Torrijos, is still in effect. That is the reason for all the U.S. attacks. The United States wants to force us to change our destiny in the year 2000, but our people have confidence in themselves. They are confident that they can defend themselves against even the world's biggest power. The U.S. colossus has not been able to make us back up in 20 months of struggle. Public services continue to operate. The economy continues to function. All the economic systems continue to work. For many reasons—including U.S. psychological warfare—the government could have made radical changes in the public and private sectors, but the government's calm and reflective attitude enabled us to weather the storm. All this country's vital systems continue to operate, though admittedly at a lower level. Yet, they continue to operate, even the banking system. The banking restrictions are gradually being relaxed. No one would have imagined that this could happen. The monetary system continues to operate, although every Friday rumors have abounded that we were going to issue our own currency the next Monday. The monetary system continues to operate. Cash is circulating faster than ever because the intermediary system, the banks, has not returned to its normal operating level. Panamanians have learned that their systems, many of them established during the revolutionary process, are enduring and constitute the bases of our permanent march toward the year 2000. We can be sure that our flag on Ancon Hill is a reality. If we can compete against and defeat the empire, we can improve our standing in the world without having to depend on or have very close trade relations with the United States, something that entails economic dependence. We have learned that we must expand our trade relations with all countries and diversify production so that what we produce is exported all over the world. We have become confident we can do that. Panamanians no longer think they cannot compete. That misconception has been disproved. We can compete and we will. We will be assured of our economic independence in the year 2000 to complement our full political independence.

[Martinez] That is what you have been saying in various forums—that there is no political independence without economic independence. I have been following your statements.

[Goodin] Yes, journalist Luis Manuel Martinez, because that is one of the most important lessons we have learned: that it is not necessary for us to maintain commercial and technological relations only with the United States.

We are not ruling out relations with the United States. We merely want to enhance our relations with the rest of the world to take advantage of our most valuable resource, which is our geographical position.

If we want to take better advantage of our geographical position, we must involve the entire world to maximize our interdependence; to ensure that in the future, other countries are not confused by what happens in Panama; to ensure that in the future, all the other countries, for economic reasons, will respect the Torrijos-Carter treaties, which make Panama a neutral zone. We want it to be economically neutral too. These two things go hand in hand. The production system and the distribution of goods and services must complement the political system that we have designed.

[Martinez] Mr Minister, you have surprised me today, because I had the impression that you avoided meetings with the press; that you preferred to stay in your office working with numbers and dealing with problems. Today you have become a great proponent of a position that you vehemently defend.

That is why we will conclude your appearance on our program with a purely political question that is in keeping with the current situation. Do you think that the National Liberation Coalition, COLINA, is the appropriate instrument for building the nation that you want; a nation trading with and exporting to the entire world; a country that does not depend on a single market to ensure that that market will not attack it at a given time in violation of its basic rights?

[Goodin] Mr Luis Manuel Martinez, I would say that it is the only viable proposal for ensuring that our flag on Ancon Hill does not represent a Pyrrhic victory for Panama. It is the only option that reflects the Panamanian's wish to be Panamanian.

We only need to reflect on the words of Mr Guillermo Endara, presidential candidate of the Civic Democratic Opposition Alliance, ADOC, who has said that he would renegotiate the treaties if he won. That is why the country has been subjected to this aggression. Mr Fox, in his capacity as assistant to President Reagan, said this to Senator Jesse Helms: The Unitc ' States wants a submissive government that would satisfy the needs of the U.S. Government; a defense force that would attend to the Pentagon's interests. This is why Commander in Chief General Noriega is being attacked.

Commander Torrijos faced a similar attack, and before that Commander Remon did too. Every Panamanian who decides to be a real Panamanian and wants to be a standard-bearer of his fatherland's dignity has been despicably attacked by the U.S. establishment.

This problem does not involve the U.S. people. No, this problem involves the U.S. establishment, the power system...

[Martinez, interrupting] The power circles?

[Goodin] The power circles that have a model for what the behavior of countries...

[Martinez, interrupting] The great capital...

[Goodin] ...of the Third World should be. It is a choice between COLINA or colony. It is not only the political platform revealed by Mr Carlos Duque Jaen during the 10 January nomination congress. It is not only our statements here. Let us analyze who COLINA's representatives or candidates for legislator are and the people will see themselves reflected in them. Workers will see themselves represented through people such as Miguel Bush, Mauro Murillo, Hector Aleman, and Ricardo Monterrey.

Can ADOC say that their candidates represent the masses, the workers? Many of the professionals who put together this election process are still in the Legislature...

[Martinez, interrupting] Women too.

[Goodin] There are many women—many of them professionals, teachers, lawyers—in COLINA. Our people's development is evident. COLINA not only has a platform, but, in practice, it is showing that it has the cadres who can successfully lead the country. Therefore, COLINA is the only way to guarantee that, in the year 2000, this flag will represent a single country. But this will be done with an economic program that will back this reaffirmation and this struggle to climb the hill. [play on word colina, which means hill in Spanish]

[Martinez] We agree with you that there is no other solution than to climb that hill. We must climb that hill and reach the top on 7 May, which is only a stage in a process that is more than a century old. This is not new and will not end now. Thank you for being with us and offering what you know about the process to weaken our economy.

In conclusion, allow me to say that I do not agree with the use of the word sanction. We are not criminals to be punished. Panama has not violated any agreements. It has not failed to meet its commitment. It has been loyal to its friendship with the United States. The aggressor is the United States. It wants to use every economic means it has to change Panama's political picture and future. The word should not be sanction but attack, as I have mentioned before. They are attacks that have been calculated by Anglo-Saxon minds that do not realize that Latin Americans have certain spiritual characteristics, like dignity, that keep us afloat in great storms.

Mr Minister, we expect to continue hearing from you because this economic struggle will not end overnight. The economic or military destruction of a country can be instantaneous and easy, but rebuilding that country is a much slower process.

Therefore, we must be aware of your warning that we have not yet begun the process of normalization, which Panama will begin with its new market policy.

Thank you, Mr Minister, for being with us.

Official Discusses Export Figures, Markets

PA1302231289 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Feb 89 pp 1-A, 2-B

[Report by James Aparicio]

[Text] Although exports dropped by 12 percent in 1988, Luis Barletta, director of the Panamanian Foreign Trade Institute [IPCE], has described this as "normal" compared to 1987 figures.

Barletta announced the opening of new markets in Spain, Germany, France, Italy, and Sweden as part of the IPCE's policy of increasing, diversifying, and promoting nontraditional Panamanian exports.

Unofficial figures indicate that 1988 exports, which were hurt by March's banking crisis, the suspension of bank credit, and restrictions in the U.S. market, could total $179 million or $200 million.

Barletta credited the search for new markets to break the dependence on the United States for getting Argentine businessmen interested in installing a regional warehouse center in Cristobal Port, Colon Province.

Barletta explained the center, still under study, "would guarantee producers that their merchandise would end up in a good place," and would complement the air cargo terminal that will be built shortly at the Omar Torrijos Herrera International Airport.

The official disclosed that the warehouse center will start operations this year and will serve the U.S. west coast, Canada, Rotterdam, and Bilbao, as well as South America.

However, Barletta warned the success of Panamanian exports will depend on "quality, quantity, price, and a constant flow, because so far we have been exporting our surplus."

Barletta added that one of the achievements of 1988 was the beginning of operations of the Spanish company Drenajes del Ebro, Inc, which is developing agricultural production with the Bayano Corporation.

He added that this company is "increasing the value of forest reserves by producing furniture." Pieces of furniture have been exhibited at different fairs in which Panama has participated.

Regarding the trade agreement with the USSR, which was approved by Panama 2 months ago, Barletta noted the diplomatic details are being worked out, "so then we can work out the trade details."

However, Yuriy A. Vislousov, trade attache at the USSR Embassy in Costa Rica, visited IPCE last week to reiterate his country's interest in developing trade between the two countries and to discuss exports.

Barletta stated Panama can sell bananas, sugar, fruits, and seafood to the Soviets, who are interested in promoting "compensatory" or "barter" trade.

The USSR can offer Panama agricultural machinery, silos, and hydroelectric equipment, but not electrical appliances "because the USSR does not want to compete in quality or prices with Japan."

According to IPCE, exports in January totaled $15 million. Included among the new exports are clams, octopuses, fish entrails, sea worms, seashells, and bovine fetal serum [suero fetal bovino].

TEP Data Bank Information 'Ruined', 'Missing'

PA1402024689 Panama City MEDIODIA in Spanish 13 Feb 89 p 10

[Text] Reliable sources have told MEDIODIA reporters that unidentified persons have ruined material in the Electoral Tribunal's [TEP] computerized data bank.

According to reports, key data for the elections, representing several months of work by the TEP's Systems Directorate, were sent into "limbo" and TEP workers will have to work long hours to recover the missing information.

The sources suspect that the culprits are former TEP employees who know the access codes to computerized programs and are disgruntled because they were fired from the institution.

Reporters from this and other media tried to obtain information from employees of the Systems Directorate, but they declined comment on the incident. The employees referred reporters to TEP Secretary General Carlos Bonilla, who was not in his office.

It was also learned that TEP members have ordered an investigation to find those responsible for this incident.

University Installs Telemetry Station for Tremors

PA1302145889 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Feb 89 pp A-1, B-12

[Summary] With the installation of the first telemetry station on Cerro Jefe in the area of Cerro Azul, the University of Panama is fulfilling its program of installing a national telemetry network. It will receive aid from international organizations such as the Center for the Coordination and Prevention of Natural Disasters for Central America (CEPREDENAC) [Centro de Coordinacion y Prevencion de Deastres Naturales para la America Central], with the sponsorship of the Swedish Agency for International Development (ASDI), [Agencia Sueca para el Desarrollo Internacional], headquartered in Guatemala, and the United States Geological Service.

According to the University of Panama, it is planning to install its first station with the full cooperation of the National Institute of Telecommunications. The station will provide earthquake detection service for the metropolitan area. The university will eventually have six permanent stations—in Chiriqui, Veraguas, Darien, Panama, and two central provinces—and two mobile stations.

Argentina

Guerrilla Group Attacks Cordoba Arsenal

One Officer Wounded

PY1302154489 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1530 GMT 13 Feb 89

[Excerpt] Buenos Aires, 13 Feb (NA)—A guerrilla group today tried to take over the 141st Arsenal Batallion located in Cordoba. The guerrillas and the batallion guards engaged in a 1-hour gun battle which ceased only when the guerrillas were disloged by the military. A noncommissioned officer was injured in the attack.

The attack occurred at about 0500 when a group of about five civilians attacked the batallion.

Noncommissioned officer Javier Atilio Rodriguez was injured in the attack. He underwent surgery this morning at the Rio Cuarto Central Hospital, where it was reported that he "is out of danger."

While there is no official information on the attack, there was a news conference during which general information was provided. [passage omitted]

III Corps Issues Communique

PY1302165289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1630 GMT 13 Feb 89

[Text] Cordoba, 13 Feb (NA)—The III Corps seated in Cordoba has officially confirmed the terrorist attack on the 141st Arsenal Batallion in Holmberg. The III Corps has reported that a noncommissioned officer was injured during the intense shooting.

The text of the communique that was issued early this afternoon reads as follows:

The III Corps of the Northern Army states that today at approximately 0445 an unspecified number of people attacked a patrol that was making its rounds inside the 141 Arsenal Batallion which is seated in Holmberg, Cordoba Province.

Intense shooting ensued. The unit guard, which was backed by the support team that it has available for this kind of special situation, repelled the attack. The shooting ended when the attackers escaped through the rear of the unit.

The police came to help the III Corps. A 141st Batallion officer was injured in the attack. The acting federal judge has been informed so that the proper investigation may be undertaken.

Army Chief Gassino Reaffirms Army Role

PY1002171589 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2100 GMT 9 Feb 89

[Text] Buenos Aires, 9 Feb (NA)—Army Chief of Staff General Francisco Gassino today asserted that "the persistent attitude of" those who attack the Armed Forces "with or without weapons will be confronted by the inexorable force of the law and by the categorical decision of those who—just as they did in the Tucuman forests and at La Tablada—will enforce the law under which the Argentine people wish to live. [no closing quotation mark as received]

Indirectly alluding to the military goal of handling intelligence tasks in the country (an issue that is being discussed at the National Security Council), Gassino added that "it is not enough to win an armed struggle." He warned that "too long a period without the necessary legal support" would encourage "the unrestrained madness of subversive violence."

Gassino delivered the speech at the La Tablada regiment barracks, where only 17 days ago ultra-leftist guerrillas reemerged after 10 years of inactivity in a battle that claimed the lives of 9 soldiers and 2 policemen, while 29 casualties were reported among the subversives.

A ceremony was held to mark the 14th anniversary of "Operation Independence," in which the Army fought against rural guerrillas in the Tucuman forests.

Gassino said: "More than reminding ourselves of what turned out to be another mistake by the subversives, today, before the tomb of those who fell, we want to become leading actors in the future for which they fought, giving us with the sacrifice of their lives the inheritance of an example. We should continue on the path of national rapprochement and unity that is so needed in our dear fatherland." He also warned that "those who do not feel this way deviate from that path and will be inexorably judged by history."

In Gassino's view, "the traitorous attack against La Tablada barracks" provided "painful evidence that the aggression was encouraged by the assumption that the unity sought by the Army had not yet been attained."

Continuing, Gassino said: "It is equally obvious that it is not enough to win an armed struggle, nor does this replace the political will that motivates, supports, and justifies the Army as an institution. Too long a period without the necessary legal support not only undermines the cohesion of the state but encourages the unrestrained madness of subversive violence."

In another passage of his speech, Gassino again alluded to the military's subordination to civilian power by saying that "just like the political decision on whether to

wage it, war cannot be subject to the discretion of the military, nor can the consensus behind legitimate political decisions—even decisions about war."

He stressed that "this is not a confrontation of armed bands, this is an armed aggression against the legitimately constituted order; this is not an aggression against an institution but against society, since its political objective and its inhuman nature are obvious."

After recalling the Army's struggle against subversion since "Operation Independence," Gassino said that "we are on the threshhold of a future that can be successfuly designed and experienced only if we clearly distinguish causes from effects."

Gassino affirmed: "That future—a new history—free from errors, passions, and selfish ambitions is indeed possible, and even more so if we maturely exercise that freedom for which we have fought so hard."

Gassino said: "The most important factor we want to consolidate in the future as citizens and soldiers is the unity of civilians and military men committed to freedom."

He added: "The Argentine Army reiterates the principle of defending the fatherland from any threat. We do not admit speculation. No one should doubt: We are prepared not only to fight, but also to die."

The chief of the Argentine Army said the honor of the Argentine soldier "has been reforged in his struggle for the fatherland. He stoically accepts the loss of his comrades, his spirit is above adversity, and he does not seek any special recognition."

Gassino concluded by saying: "Once again, as on other occasions, we cry silently for our dead." But then he warned: "We will cry for them without overlooking those people who in one way or another, with or without arms, have tried to make the man of arms and Argentine society the targets of their ideological action. Those who persist in their attitude will be confronted by the inexorable force of the law and by the categorical decision of those who—just as they did in the Tucuman forest and at La Tablada—will enforce the law under which the Argentine people wish to live."

Terrorist Attack Against Newspaper Publisher

PY1302212489 Buenos Aires LA PRENSA in Spanish 13 Feb 89 p 16

[Excerpt] La Rioja—A terrorist attack has occurred in this city against Leandro Lopez Alcaraz, the publisher of the local newspaper EL INDEPENDIENTE.

A small bomb exploded at the door of Rolando Quiroga's house, located at La Merced 80, next to Lopez Alcaraz' house.

Apparently the terrorists placed the bomb at the wrong house. There were no victims, only material damages.

It is believed Lopez Alcaraz and his family were the target of the terrorist attack because an unidentified person telephoned the newspaper to tell the publisher that the bomb had been planted in the wrong place, but that next time they would not fail. [passage omitted]

Lopez Alcaraz has condemned the resumption of terrorist activities in La Rioja Province. He said this terrorist attack will not make the newspaper change its journalistic line.

So far, police have not released any information about their investigation into the attack.

Federal Police Chief Dies of Heart Attack

PY1302121389 Buenos Aires DYN in Spanish 1056 GMT 13 Feb 89

[Text] Buenos Aires, 13 Feb (DYN)—Federal Police Chief Juan Angel Pirker died early this morning of a heart attack. He will be buried tomorrow, presumably at the police mausoleum at the Chacarita Cemetery.

Pirker died unexpectedly at 0410 this morning, after suffering a strong asthma attack.

It has been learned that Pirker regularly spent the night at the police building or arrived early at his office.

So far only the hour and the cause of death have been officially announced.

Pirker, who was 57 and single, became police chief on 17 June 1986, when Antonio Troccoli was interior minister.

He was later confirmed in his post by current Interior Minister Enrique Nosiglia.

As police chief, Pirker faced several very difficult cases, including the kidnapping of businessman Osvaldo Sivak. Pirker's team cleared up the case and arrested those responsible.

Wheat Sales to PRC, Soviet Union

PY1002173789 Buenos Aires TELAM in Spanish 1015 GMT 89

[Text] Buenos Aires, 10 Feb (TELAM)—Quoting private sources, the newspaper LA NACION today reports that the PRC and the Soviet Union signed contracts the day before yesterday for the purchase of Argentine wheat.

According to the daily, on 8 February the Argentine Nidera Company, the Argentine Association of Cooperatives, and the Argentine Federation of Cooperatives

signed with Chinese officials "an agreement for the sale of 300,000 tons of wheat, to be added to another, identical deal signed a few days earlier by the same exporters."

The agreed FOB [free on board] price on both deals was $153 per ton in Argentine ports, to be shipped in April. The sale of the 600,000 tons of wheat represents $91 million in income for Argentina.

As for the agreement with the Soviet Union, which was signed by the same organizations and the Dreyfus Company, "it amounts to 250,000 tons at an FOB price of $38,125,000."

The daily states that, regarding the transaction with the Soviet Union, the exporters believe the net price of a ton of wheat is about $148.50, as a result of the particular contract clauses imposed by the Soviet Union for the last few years.

Cuban Trawler Sinks Off Argentine Coast

PY1302162389 Buenos Aires Domestic Service in Spanish 1500 GMT 13 Feb 89

[Text] A Cuban trawler has sunk off the Argentine coast, outside Argentine territorial waters. According to Naval Prefecture sources, this happened after the Cuban trawler collided with a Taiwanese trawler. The (?86) crewmen of the Cuban trawler were rescued.

Bolivia

Reaction to U.S. Ambassador's Remarks Noted

Bedregal 'Regrets' Remarks

PY1302142989 La Paz La Red Panamericana in Spanish 1130 GMT 13 Feb 89

[Text] The Bolivian Foreign Ministry will decide today whether it will present a note to the U.S. Embassy in Bolivia. This follows remarks made by the U.S. ambassador.

Bolivian Foreign Minister Guillermo Bedregal said that he regrets the remarks by Ambassador Robert Gelbard, which have offended different sectors of the national community.

The foreign minister said that this matter will be discussed in the next few hours. It is believed that the Foreign Ministry will present a note to the U.S. ambassador.

Robert Gelbard has expressed support for three political forces that are participating in the electoral process. He said that these forces support the new economic policy and are opposed to unfortunate activities. The parties mentioned by Gelbard are the MNR, the ADN, and the Movement of the Revolutionary Left.

The U.S. ambassador harshly criticized the Interior Ministry social defense under secretary, asking him to be more efficient in the fight against drug trafficking and to refrain from making remarks to the press.

These two facts, basically, have prompted the foreign minister to say that this matter will be discussed in the next few hours.

Under Secretary 'Surprised'

PY1302144889 La Paz La Red Panamericana in Spanish 1130 GMT 13 Feb 89

[Text] Interior Ministry Social Defense Under Secretary Jorge Alderete Rosales has said that he will ask the appropriate authorities to present a note over remarks made by U.S. Ambassador Robert Gelbard.

The dignitary of state, who said he was extremely surprised about the remarks made by the U.S. ambassador, added that Bolivia has demonstrated to the international community that the struggle against drug trafficking is being carried out despite the current economic and technical limitations.

Alderete recalled that in past meetings [not further specified] Bolivia [words indistinct] the task of eradicating coca plantations, the struggle against drug trafficking in Bolivia, and the Bolivian goal of becoming a leading force in the struggle against drug trafficking.

Alderete, who was recently mentioned by the U.S. ambassador during a news conference, said that Gelbard is meddling in Bolivian domestic affairs.

Bedregal 'Agrees With' Gelbard

PY1402015589 La Paz La Red Panamericana in Spanish 1700 GMT 13 Feb 89

[Text] Bolivian Foreign Minister Guillermo Bedregal has said the remarks by U.S. Ambassador Robert Gelbard are true and that the Bolivian Government is grateful for his sincerity.

Asked about recent remarks by the U.S. ambassador, Bedregal said he agrees with them because they are free of hypocrisy.

Some people criticize him, but Gelbard is a loyal and helpful man, Bedregal said, adding that the ambassador is trying to promote activities being carried out in several fields in our country.

Bedregal said Gelbard has made correct remarks, and that only some people—voicing their chauvinism—have tried to smear the ambassador's personality.

Bedregal added that he is very pleased with Gelbard's attitude because his remarks are free of hypocrisy. All Bolivians should be happy with Gelbard as U.S. ambassador to Bolivia because he is working for the welfare of the country.

During a news conference, Gelbard stated that the MNR, the ADN, and the Movement of the Revolutionary Left are planning to implement a policy to defend the current system, and that the United States is pleased with this position. Gelbard also criticized the Interior Ministry social defense under secretary for the bad job he has done in conjunction with the antidrug forces.

'Narcodollars' in Economy Reportedly Dropping

PY1302142889 Madrid EFE in Spanish
1837 GMT 11 Feb 89

[Text] La Paz, 11 Feb (EFE)—Fernando Romero, planning minister and current chief of the economic team, has reported that the volume of dollars in the Bolivian economy that are coming from drug trafficking is decreasing.

According to Romero, the Bolivian economy in previous years received the equivalent of $500 million so-called "narcodollars."

The minister added that it is very difficult to give a precise figure on the "narcodollars" in the economy, but he said that in 1988 it amounted to about $200 million.

This estimate is based on an analysis of the balance of payments of the Central Bank where the dollars of unknown origin are listed in an account called "errors and omissions," Romero stated.

He added that this decrease is due to the government's repressive policy against the marketing and manufacturing of drugs.

Former Planning Minister Roberto Jordan Pando has stated that the Bolivian economy has been maintained over the past few years by dollars coming from drug trafficking, in light of the recession affecting important productive sectors.

Economists of the opposition have proposed the establishment of a currency control policy. Currently Bolivian citizens and foreigners can sell dollars to banks in the country whatever the amount and without specifying their origin.

The planning minister stated that the laundering of dollars will not be stopped with a currency control policy, because the narcodollars will continue to be introduced through the parallel market.

He added that the government cannot adopt a currency control policy because it would be an attack on the spirit of the free market economy.

* Banzer Discusses Economic Plan, Elections

33480084a La Paz EL DIARIO in Spanish
6 Jan 89 p 5

[Text] The Nationalist Democratic Action (ADN) candidate for the presidency of the republic, General Hugo Banzer Suarez, retired, said last night during an unscheduled press conference that the economic model currently in effect "has lacked the social ingredient it should have had since the model was first put into use."

He added that it is nonetheless evident that the Emergency Social Plan "has somewhat compensated for the harsh effects of the economic model, but the model in itself lacks an ingredient—social content—which a government plan should have."

General Banzer then went on to say that "We are going to incorporate this social content if we win government office." He explained that the ADN is currently studying the changes it will recommend for the economic model put into effect by the National Revolutionary Movement (MNR) government. The man in charge of this important study is Ronald MacLean, who must now redouble his efforts because he bears the responsibility for seeing to the municipal mayoralty of La Paz and the task entrusted to him by the ADN.

The Pact

General Banzer was asked whether, if the same conditions as during the preceding presidential election were to prevail at the 1989 national congress which will elect the new president of the Republic of Bolivia, the ADN would sign a new pact for democracy with Jaime Paz Zamora or with Gonzalo Sanchez de Lozada, if they were to enjoy major popular support. His answer was as follows: "I believe that the strength of democracy and the importance of our victory will put us in government, and there will be no need for schemes. For this is what we are seeking—for democracy to be strong in this country. This does not mean that political contacts and agreements can be generated, because we are not dogmatic. We believe that this country is the country of all Bolivians, and insofar as possible, all of us Bolivians should participate in the government."

Another journalist asked him what guarantee the MNR has given the ADN with regard to continuing with the pact for democracy. Banzer responded: "The pact for democracy, I have been insisting throughout the 3 years it has been in effect, is a pact with Bolivia, a pact with democracy underwritten by two political forces through two individuals, and it is not a pact with the MNR. It is a pact for democracy, for Bolivia."

He explained that the fact that the two political parties reached agreement has resulted in a good relationship between the two forces, and therefore there are no limiting commitments. Obviously we have signed documents, "but in politics in this country, they say that

everything is valid." But we hope that as a component in democracy, we will be responsible for what we sign and will be honest in our political conduct. "However, I believe that it is the force of democracy which should put the winner of the elections in the government palace."

He was also asked whether, if elected to the highest post in the nation, he would keep the pact for democracy with the MNR in effect. General Banzer responded to this by saying that "We hope so, because it has been an effective pact for the country and for democracy, and as the pact states, we hope to include in it the political forces which want democracy in Bolivia to be consolidated." General Banzer was informed that another candidate, Sanchez de Lozada, had said that the MNR would reach an agreement with the Movement of the Revolutionary Left (MIR), if that party wins the election. He responded to this by saying that "Everything is possible in politics in this country."

When asked about the individuals who have been considered as choices for vice presidential candidates by the ADN, Banzer said: "Allow me to keep these names to myself, in order to avoid speculation. We expect that the name of the person chosen will be made public within a few days."

The Mayor

Another question asked of General Banzer had to do with the importance to the ADN of the fact that Ronald MacLean has been reelected mayor of La Paz. General Banzer replied that "This is very important, because through Ronald MacLean, our party has a new opportunity to serve the people of La Paz, as it did during his previous administration, when he took over a municipality which was in an agonizing economic and financial condition, and then left it with economic reserves. Now he takes charge again, so that the municipality of La Paz is again in the hands of an honest and patriotic man, a true citizen of La Paz, who will make another effort, with the support of our party, to reorganize the municipal finances and to serve all of the people of La Paz."

* Gold Exports Produce Most Income in 1988

33480084b Santa Cruz de la Sierra EL MUNDO in Spanish 3 Jan 89 p 13

[Text] La Paz, 2 January (ANF)—The production and export of gold, which was among the items making the smallest contribution to the state at the beginning of the 1980s, unexpectedly became a pillar of Bolivian mining exports in 1988.

Between January and November 1988, the volume of gold production was eight times that reported in 1985, seven times that in 1987 and almost twice the 1987 [as published] production. It can now be seen to be the highest volume figure in the past 7 years.

A Ministry of Mining and Metallurgy report has identified gold production as the category which generated the most foreign exchange for the country in the first 11 months of 1988, surpassing the traditional contribution of tin by $1 million and exports of silver by $23 million.

But the gold production sector is still characterized by small mining enterprises, multiple cooperative enterprises and mining industries of average size. They produced the 4,896.1 kg of gold this year.

According to the Ministry of Mining and Metallurgy, the value of the gold produced and exported between January and September came to $70.3 million, while tin production came to $69.1 million, followed by zinc production ($60.3 million), while silver, which generated $47.2 million, trailed far behind.

Exports of gold alone brought in $650,000 in 1982. This figure rose to $37.4 million by 1987. Between 1983 and 1986, the gold production reported by the official bodies dropped to levels never before seen. However, it is presumed that the changes in the rate of exchange, which encouraged illegal exports of this metal, were among the various factors which contributed to this decline.

The Mining Corporation of Bolivia (COMIBOL), which began a process of change and recovery in its productive and administrative activities as of 1986, with the elimination of the workers and machinery causing the monthly losses of the enterprise to increase, is not participating directly in the production of gold for the time being.

In the 5-year recovery plan for the COMIBOL, a state enterprise, priority will be given to the large-scale exploitation of deposits containing a high level of tonnage of ores with a low content but a high specific value, although there is no mention of a plan for the immediate exploitation of gold.

On the other hand, the plan conceived by the Ministry of Mining and Metallurgy indicates that selected COMIBOL enterprises could culminate the process of financial and administrative recovery by the end of 1989, and would then be in a position to launch a renewed ore production process.

According to the official reports, the government proposal is to return the initiative in domestic productive activities to the mining sector, after having experienced the collapse of tin. This was not without harmful effects, since it put more than 23,000 workers in the nationalized mining sector into the streets.

Brazil

Iran Purchases Military Training Planes

PY1002174889 Rio de Janeiro O GLOBO in Portuguese 9 Feb 89 p 7

[Text] Belo Horizonte—Aeronautics Minister Octavio Moreira Lima yesterday confirmed that Iranian pilots and technicians are in Brazil to test the Tucano airplane

manufactured by EMBRAER [Brazilian Aeronautics Enterprise]. The Iranians are lodged at the Parque Aeronautico in Lagoa Santa, Belo Horizonte.

According to Moreira Lima, the Brazilian Air Force (FAB) is providing operational and logistical support to the Iranians, who are interested in purchasing 50 military training planes. The minister said the secrecy surrounding the Iranians' visit to Belo Horizonte only concerns EMBRAER commercial strategy.

[Sao Paulo VEJA in Portuguese on page 22 of its 8 February issue reports: "Last week, a group of 38 pilots and technicians from Iran began training in Tucano planes at the Parque Aeronautico in Lagoa Santa, Belo Horizonte. Five planes have already been purchased by the Iranians, who are learning how to fly them in Belo Horizonte."]

Sarney Wants Meeting With Bush in Tokyo

PY1102025189 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Feb 89 p B-1

[Excerpt] Brasilia—President Jose Sarney will personally ask U.S. President George Bush to reconsider the current terms of the Brazilian foreign debt. During the funeral of Emperor Hirohito in Tokyo on 24 February, Sarney will discuss with President Bush the need for a mechanism that creditor banks must adopt to allow the reduction of the overall foreign debt with the consequent reduction of the service payment.

Brazilian Ambassador to the United States Marcilio Marques Moreira is already preparing the meeting between the two presidents. He is in continuous contact with the State Deparment. White House advisers have told Marques Moreira that Bush has already been informed of the Brazilian Government's intentions and that he is considering scheduling a meeting with Sarney in Tokyo.

During his meeting with U.S. Vice President Dan Quayle in Caracas last week, Sarney expressed interest in negotiating the Brazilian foreign debt issue directly with President Bush. FOLHA DE SAO PAULO has learned that Sarney wants a political solution, not simply a mathematical one, to the foreign debt. President Sarney expects a confirmation of the meeting with Bush by next week. Sarney will leave for Tokyo on the night of 22 February. [passage omitted]

Comments on 'Negative Agenda'

PY1102161289 Sao Paulo FOLHA DE SAO PAULO in Portuguese 10 Feb 89 p A-5

["Text" of interview with President Jose Sarney by FOLHA DE SAO PAULO reporter Boris Casoy on 9 February in Brasilia]

[Excerpt] [Passage omitted]

FOLHA: What advances were made at the Group of Eight talks in Venezuela regarding the foreign debt?

Sarney: We approved of the decision of the Group of Eight economy ministers' meeting in Rio de Janeiro—the so-called Rio de Janeiro group that was formed by an agreement concluded in Punta del Este—and a South American proposal regarding the debt problem. This proposal was formally approved and we are going to present it to U.S. President George Bush and to the EEC countries and Japan.

FOLHA: With President George Bush, what will change for Brazil?

Sarney: I believe our relations with the United States are not good at this period. We always have a negative agenda, discussing only retaliations. We do not have any projects in common. And I believe that President George Bush could at this time prepare, along with us, a positive agenda not only regarding Brazil but regarding Latin America as well. I did not get very enthusiastic when I learned of Secretary of State Baker's statement before the U.S. Senate. After long paragraphs devoted to Panama, Nicaragua, and security in the Caribbean area, Baker devoted only four lines to South America. Baker said we are going to celebrate the fifth centennial of the discovery of America and this is the time to rediscover America where, Baker said, we have common problems: the foreign debt and drug trafficking. That is all he said.

FOLHA: You met with Fidel Castro in Venezuela. Will Fidel visit Brazil?

Sarney: The foreign policy I have followed is a policy of continental integration and a diplomatic presence for Brazil in the world. I believe that whether President Fidel Castro comes to Brazil will depend on arrangements between the two Foreign Ministries.

FOLHA: President, you have recently been in Angola. Some people contend that such an investment in Africa is of no value, that Brazil has little to gain from those trips, little to gain in the African Continent. Was the trip to Angola valuable?

Sarney: Brazil is today the world's second-largest country in terms of black population. Our interests in Africa run deep, and our cultural roots also run very deep. Brazil's largest financial investments lie in the African Continent. With investments of $1.2 billion, Angola is the country where Brazil has made the most investments. There we are prospecting for oil, BRASPETRO [Brazilian Petroleum Corporation International, Inc.] is in Cabinda, we are building the Capanda hydroelectric plant, we have a chain of supermarkets, there are joint ventures with Brazilians—many companies are there. Angola is a country with great potential. In the short term, Angola is perhaps the African country with the

greatest potential. Brazil has to help, to cooperate with the Portuguese-speaking African countries. There we must expand our international cooperation and enhance our international prestige.

FOLHA: The Amazonia has again caught the headlines in the international press, especially in the U.S. press. Internationalization of the Amazonia has been mentioned.

Sarney: That is a very distorted notion of the ecological problem. In the first place, we can accept all international cooperation to help us protect our ecology; we are willing to accept any type of cooperation, whether in the form of scientific or financial assistance. But what we cannot accept, what no Brazilian could accept, is to exchange our sovereignty over a piece of our territory for any type of economic assistance or as payment of our foreign debt. That would be like surrendering our sovereignty. That is a proposal which cannot be made to a country of Brazil's dimensions and responsibility. It is the duty of Brazilians to defend the Amazonia. We have to defend our humid tropical forests, because they are a Brazilian asset that we inherited from our forebears. Regardless of political party membership, personal position, or any internal differences, we will never allow the Amazonia to be partitioned or our sovereignty to be surrendered for interests of any kind. There is no amount of international money that can buy a single square meter of Brazilian Amazonia soil. [passage omitted]

Minister Reacts to State Department Report
PY1102161689 Rio de Janeiro O GLOBO in Portuguese 10 Feb 89 p 5

[Excerpt] Brasilia—Justice Minister Oscar Dias Correa reacted briskly to the release of a U.S. State Department report on prison conditions in Brazil.

"International reports have nothing to do with this; they do not understand this," said Minister Correa, who has not read the document but condemned it as "an unwarranted interference that must be rejected."

After a meeting with President Sarney and his fellow ministers at Planalto Palace, Minister Correa said: "We need to do away with international reports that provoke Brazilians." [passage omitted]

*** Financial Crisis Delays Avibras Salary Payments**
33420028 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Jan 89 p A-11

[Text] Since 13 December, Avibras [Brazilian Aviation] has been facing the worst crisis in its history. The 6,000 employees of the industry, located in Sao Jose dos Campos (85 km northeast of Sao Paulo) have not received their salaries for the month of November or the first portion of the 13th payment. Moreover, at the instruction of the firm's president, engineer Joao Verdi Carvalho, the employees are putting in only half a day's work, as a "restrictive economic measure adopted to avoid further personnel cuts." During January of this year, Avibras laid off 654 employees.

Yesterday, the director of the Sao Jose dos Campos Metalworkers Union, Mauricio Belan, claimed that the company has been attempting to justify the salary lag with the "excuse that it is not receiving money from traditional clients, such as Iraq, for example. But it is odd that it should have had a billing of $300 million in 1987 and now have an empty treasury." Belan maintained that he did not believe that further layoffs would occur, because "the industry's board of directors claims to have no funds for paying compensation." The union director is an Avibras employee.

The cause of Avibras' economic crisis is the nonpayment for weapons that it sold during 1987 and this year to Saudi Arabia (a contract signed in 1987 with a price of $500 million), Kuwait (a contract signed at the end of 1986, priced at $240 million), the UAE, and Iraq. The industry's official relations director, engineer Pedro Angelo Vial, has been visiting those countries (from 8 to 19 December) in order to collect from the clients on the portions of the contracts already signed. Iraq alone was to have paid a sum of $48 million in November, which ultimately failed to occur. In view of this, Verdi has been trying to obtain from private and state-owned banks funds with which to pay employees and suppliers.

Although its board of directors denies this, Avibras' economic situation was exacerbated by the cease-fire between Iran and Iraq last August. The Iraqis have always been the largest purchasers of the industry's products. During the conflict in the Gulf, Iraqi TV showed pictures of the Astros-2 multiple rocket launcher system (Avibras' sales leader) firing over enemy lines.

Since 1974, the Baghdad government has maintained a credit line for the purchase of weapons from Brazil. But 8 years of war left Iraq on the brink of financial collapse and heavily burdened for the country's reconstruction. Although Avibras has four contracts with Iraq, there is a clause in each stipulating that it may be rescinded with the payment of a penalty.

Cease-Fire

According to the company, the delay in payment is due to the country's economic situation, which is claimed to be the cause of Avibras' poor financial performance. The arguments used by its board of directors are the following:

- (1) The contracts already signed with the Arabs are paid for in dollars, and the cruzado has undergone a constant devaluation vis-a-vis that international currency. This has harmed exporters, because the suppliers are paid in cruzados and not dollars.
- (2) The cease-fire in the Gulf last August did not affect the credit line between Brazil and Iraq, because

the industry does not depend solely on that country for selling its products.
- (3) The cash crisis is temporary, and the situation will become normal within a short time.

Despite those arguments, there are in the Avibras yards over 100 complete Astros-2 batteries lying idle, waiting for the payment to be made. The production line has been at a standstill since the beginning of November. The depletion of the personnel payroll is due to be one of the main items on the agenda to be debated at the next board meeting. All the company's employees have a share in its profits.

Last November, Avibras received the Brazilian Defense Materiel Manufacturers Association prize as the sector's largest exporter, for the third consecutive time. In 1987, it attained billing amounting to $300 million. The data for that year have not yet been provided.

Astros Sales Leader

The main product sold by Avibras abroad is the Astros-2 multiple rocket launcher, used extensively during the war between Iran and Iraq. It is a combination of systems with a range of 600 km on a highway, or 400 km on any type of terrain.

There are currently various similar systems on the international arms market. Their unit price is $10 million (nearly 72.5 billion cruzados, at the official exchange rate).

The Astros-2 uses SS-30 rockets (each with a warhead of 20 kilograms), and has a range of 32 km. The SS-40 has a 65-kilogram warhead and a range of 40 km; and the SS-60 has a 150-kilogram warhead and a 69-km range. They are all packed in tubes varying in number from 8 to 16.

The shots vary from 3 to 6 seconds. The warheads' destructive power is high. They use solid propellant as fuel. The Astros-2 launchers are installed on a truck manufactured by the Avibras subsidiary Tectran.

When the Astros-2 was designed, it was Joao Verdi's idea to use Engesa [Specialized Engineers, Inc] trucks. Because of problems involving price and participation demanded by Engesa President Jose Luiz Whitaker Ribeiro, Avibras decided to manufacture the trucks for the Astros-2.

Avibras is also a supplier of the EDT-Fila fire director equipment, used in airports to track aircraft. The equipment detects airplanes on its radar and automatically sights 155-mm cannons or rockets launched from platforms.

The company also has plans for the SS-300, a super-rocket that has not yet come off the drawing-board. Also in the design phase is the Barracuda, which will be used by the Navy for port defense.

Peace Shrank the Market

Avibras' economic situation reflects the current state of recession on the arms market. The shrinkage has been felt since the cease-fire between Iran and Iraq last August. With peace, the Iraqis (the leading clients of the Brazilian companies in the arms sector) decided to opt for reconstructing the country, which is faced with an economic recession after 8 years of war. The damage amounts to billions of dollars, and the cease-fire in the Persian Gulf was not a political maneuver, but rather an economic necessity.

The businessmen in the weapons industries have been feeling the effects of peace in the Gulf since last October. Some contracts which were to be closed in 1989 have ended up being cancelled and, in certain instances, have been temporarily suspended by the Iraqis.

The repercussions from that drawback by Iraq ended up affecting other Arab countries, such as Saudi Arabia, Kuwait, Egypt, and the UAE.

Those nations had been investing in weapons on a mass scale up until last July, in the event that the war should spread to them. A concrete example of this is the case of the Sao Paulo enterprise Engesa which, in December 1987, technically won a bidding competition in Saudi Arabia for the supply of 1,250 EET-1 Osorio tanks. The contract has not been implemented to date. This caused a financial collapse in the industry, which was eventually aided by the National Economic and Social Development Bank (BNDES).

In addition to the Arabs' withdrawal, the national firms are also beset by the United States and other countries that are also arms suppliers. With the shrinkage of the market, the Americans triggered boycotts to prevent Brazil from receiving high technology equipment know-how. Brazil is currently one of the largest arms exporters in the Third World.

* Causes of Decline in Reserves Cited

33420030b Rio de Janeiro O GLOBO in Portuguese 20 Jan 89 p 18

[Article by Carlota Araujo]

[Text] Foreign exchange remittances abroad, made by national and multinational companies in 1988, were primarily responsible for the decline in the country's reserves. According to businessman Mario Amato, president of the Sao Paulo State Federation of Industries (FIESP), this was the explanation offered yesterday by Finance Minister Mailson da Nobrega to several representatives of the nation's business community, during a 2 and ½ hour meeting in the headquarters of the CNI (National Confederation of Industry) in Rio de Janeiro.

"The flight of reserves subsided after the promulgation of the Constitution. The country's economic instability and the fear that the Left could make significant gains had led many multinationals to opt for remittance of profits," another businessman said.

The existing legislation governing multinationals initially allows companies which are beginning operations to remit 12 percent of their profits. In subsequent years, the calculation is based on principles that generate a cascading effect, allowing the company, after a certain period, to remit practically everything it has earned in the country. National businesses also use the existing mechanisms to remit profits abroad.

Amato explained that the government is studying the possibility of granting privileges to the companies, creating facilities for domestic investment, as a way of curbing these remittances.

Amato added that, as the minister explained, the government is making informal contacts with the creditors, seeking to stretch out the payment periods for the debt service. According to a businessman, the government strategy is to show the creditors that the country has problems honoring its commitments, that its exports amounted to $34 billion last year and this year it intends to increase exports to levels between $40 billion and $45 billion.

In this regard, the government is already taking such prior measures as the 17-percent minidevaluation and will be obliged to suspend interest payments on the debt—decreeing a new moratorium—if the creditors do not advance new loans which, in the end, will be applied to the payment of the debt service itself.

Four Explanations

Remittances of profits abroad; exports conducted on the installment plan; the fact that foreign credit stopped entering the country last year; and the early payments authorized by the Finance Ministry and the Central Bank: These were the principal reasons cited to explain the drop in Brazil's exchange reserves.

Yesterday at the CNI, Minister Mailson de Nobrega said that most exports are conducted on the installment plan and the Central Bank is conducting a study of the figures. According to the minister, when it is announced that the trade surplus was $19 billion in 1988, this does not mean that all the money entered the country during that period.

Negative Industrial Manufacturing Growth in'88

PY1102132289 Rio de Janeiro O GLOBO in Portuguese 10 Feb 89 p 18

[Summary] Overall industrial manufacturing growth in 1988 was a negative 3.2 percent, after negative growth in the 1st, 2d, and 4rth quarters, with positive growth only in the 3d quarter.

Colombia

Supreme Court To Rule on Case Jurisdiction

PA1202151989 Bogota EL TIEMPO in Spanish 4 Feb 89 p 9-A

[Unattributed article: "Is It Legal for Civilians To Try Military People?"]

[Text] The cards are finally on the table; now it is up to the Supreme Court to make a decision. Its 24 members will issue a ruling in the next few weeks, and then it will be known if civilians can legally try military people.

The conflict began in the case over the Segovia massacre. The military penal court is claiming jurisdiction, whicht is being exercised by Medellin's Sixth Court. Judge Jorge Carreno Luengas is studying the case to arrive at an opinion.

While the conflict is being settled, the Armed Forces and police are strictly abiding by the instructions given by the judge. They initially took the officers involved in the case to the judge so they could testify, and they have acknowledged the preventive arrest warrant issued by a civil judge.

This warrant affects Colonel Alejandro Londono Tamayo, who was Bombona Battalion commander; Army Captains Hugo Alberto Diaz and Hugo Boada Guerrero; and Police Captain Jorge Eliecer Chacon Lasso, Segovia commander.

The Army justice court alleges that the regular civil courts lack jurisdiction for this trial. The Army claims it is a case that must be tried by the Army by an expressed constitutional mandate.

Therefore, it has gone to the Supreme Court seeking a favorable ruling. Its main argument is that Article 170 of the Constitution states: "The court martials or military tribunals, in accordance with principles established in the Military Penal Code, will hear the cases of crimes committed by military personnel in active service and in relation with this same active service."

According to the general laws on procedure, this claim does not interrupt the investigation, an investigation that must continue until the Supreme Court decides which court has jurisdiction over these military officers.

Army Forbids Ties to Paramilitary Groups

PA1302031089 Bogota EL TIEMPO in Spanish 7 Feb 89 pp 1, 8-A

["Text" of document sent by Army Commander General Nelson Mejia Henao to Army brigade and division commanders throughout the country; date not given]

[Text] As commander of the National Army, I have sent you a series of communiques stating the Army command's policies so that all Army units throughout the

country are aware of the policies I have adopted since the very beginning as a general strategy against the subversion that the country has been enduring for so many years.

One of these communiques includes the order that unit members will not be deployed to respond to occasional enemy incursions because our overall objective is to plan integral-attack operations [elaborar operaciones de ataques integrales].

Attacks must be planned based on intelligence information so we can take subversive fronts by surprise and ensure that they will be defeated. This strategy goes along with improved well-being, education, and training for the troops and with them being supplied with recently acquired weapons.

One result of the implementation of this policy was the successful operation in Llanos, in the region of Mesetas (La Julia). The subversive groups, especially FARC, have noticed that they are now facing efficient Army operations that are forcing them to go on the defensive. This is the path that permits us to envision a victory for the forces of law and order.

In view of this dangerous situation, the rebel groups have been trying by all means to further discredit the Armed Forces, which are being harassed by the media.

This is why it is most important to zealously protect the good image that the Army has always deservedly had.

Without this image, victory will not be possible in the kind of war in which we are involved. I want you, as the examplary commander you are, to clearly understand the importance of what I have just stated, because the success of our mission and the immediate future of 30 million fellow countrymen who expect much from us depend on that. The entire nation is at stake.

One thing the subversion is now using to harm the Army's image is to make military men appear as sympathizers or sponsors of paramilitary groups. This serious situation must be used to our advantage and we must do something very specific:

Show the people that the National Army has not been and is not in any way related to so-called paramilitary groups, and that what the subversion wants is to psychologically harass the Army.

If we have to carry the load of paramilitary crimes invented by the enemy, we cannot expect the country to trust us. The path of the paramilitary groups, as I have said many times and as command policy states, is a dark one. It has many traps and risks. It necessarily weakens the effective repression of subversive elements without a fatherland and of common criminals as well, and it opens the door to defeat. It delays final victory, which is our purpose and objective.

This is why we have always rejected it. Our task is to dismantle subversive settlements and to reinstall, step by step but firmly, liberty in a constitutional framework.

I hope you will use these guidelines and be able to soon produce positive results for the victims of subversion to notice. These victims must be freed from the enemy through the legal measures the Army has always used, and never through the negative routes of shady armed groups. The actions of the troops must not produce any doubt as to what our operational framework is. This framework has never been and can never be any other than unrenounceable legality.

Paramilitary Group Communique Denies Massacres
PA1202173289 Bogota LA PRENSA in Spanish 6 Feb 89 p 12

[Text] The paramilitary groups want to participate in the current dialogue process. They have disregarded the government's refusal to talk with them. A communique signed by the movement Death to Revolutionaries of the Northeast [MRN] that was sent to the media makes this evident. This is the movement that has been accused of having committed the massacre in Segovia, Antioquia Department, in November 1988.

The document, which was written on a computer, is addressed to Government Minister Cesar Gaviria Trujillo, Defense Minister General Manuel Jaime Guerrero Paz, and Attorney General Horacio Serpa Uribe.

The following is the text of that document:

What you and the media conceive as paramilitary groups are nothing but associations that emerged as a result of the unjust and continuous aggression by FARC and other subversive groups. We decided to join together to defend our lives, our property and our liberty in view of the government's inability to provide us the security to which we are constitutionally entitled and in view of the indifference and complicity of politicians who, like you, never protested when FARC and similar groups were kidnapping, blackmailing, or simply killing us. Those actions were justified and still are being justified as political crimes. There is the crazy idea that such actions have philanthropic objectives and that the guerrillas are some sort of William Tell or Robin Hood. In view of this situation, we decided to defend ourselves and are going to continue doing so. We cannot wait for the FARC benefactors to murder us.

We are surprised and saddened to hear the ministers and the attorney general describing us as assassins just because we defend ourselves. We are being unjustly blamed for all massacres committed in the country. By doing this the subversive elements, who are the ones who should be attacked, are being presented as benefactors. When subversive elements massacre us, it is a political action. When we defend ourselves, it is a crime and murder.

Ministers and attorney general: We have established contact with the associations created in Santander to defend themselves from FARC and we want to inform you that they have nothing to do with the La Rochela massacre and we do not have anything to do with the Segovia massacre, which was carried out by FARC, which then attributed it to us. We are not assassins; therefore, we are against massacres. We are prepared to talk with the government as long as the following conditions are taken into account:

1. We are defending ourselves from what you call a political war, which was unleashed by the subversion against us. We are not hired killers or assassins. We are the champions of the democratic system and that is the way we must be viewed.

2. We reject massacres. Massacres are planned by the Patriotic Union and the Communist Party and carried out by FARC assassins. Therefore, the government must inform the people about the state of the investigations on the Saisa, Segovia, La Rochela, and other massacres. The health of the nation must prevail over the secrecy of the investigations.

3. Security organizations and other state organizations must not rush into blaming massacres on "paramilitary" groups. They must wait for the result of investigations. If accusations are made prior to having enough evidence, the course of the investigations may be detoured and the old saying that there is good fishing in troubled waters becomes true. This is a saying the communists often put into practice.

4. We are the result of sustained FARC abuses. We will demobilize and will yield our weapons 24 hours after the subversive elements surrender their sophisticated arsenal.

From the mountains of the northeast, to all Colombia.

MNR [as published] Staff. January 1989.

Peace with those who disturb it with weapons is not achieved with doves.

M-19 Leaders Summoned to Court; Investigations

PA1202144989 Bogota EL TIEMPO in Spanish 4 Feb pp 1-A, 8-A

[Text] Carlos Pizarro Leongomez, Otti Patino, Antonio Navarro Wolff, German Rojas, and other members of the M-19 leadership will have to answer for the holocaust at the Palace of Justice. A judge of the Republic decided yesterday to call them to trial.

This decision has been made 37 months after the most bloody takeover of a judicial building in the history of Colombia: 100 victims, including magistrates of the court, employees of the jurisdictional branch, members of the security organizations, and rebels.

The accused will face charges of rebellion, kidnapping, extortion, personal attacks, homicide, and terrorism. The penalties for these charges could add up to over 100 years in prison.

According to the investigations, the M-19 members are responsible for the dozens of victims that resulted from the 28 hours of the siege of the palace on 6-7 November 1985.

The ruling, which has not yet been made public, includes a report by the attorney general of the nation to the effect that 13 persons, including 3 terrorists, escaped from the Palace of Justice but later disappeared.

Based on this document, the judge requested an investigation of the chief of intelligence of the Military Institute's 13th Brigade.

The decision was announced at a time when the top leader of this guerrilla organization is holding a dialogue in the Tolima Mountains with the presidential adviser for peace, Rafael Pardo Rueda, seeking the government's approval so the organization's members can rejoin civilian life.

The same judge ordered sending copies of the process to the Supreme Court of Justice so the highest court will establish if General Victor Delgado Mallarino, director of the National Police, violated the law.

Superior Judge Uriel Alberto Amaya Olaya recommended investigating General Jesus Armando Cabrales, who is the 2d Army commander.

The request by Judge Amaya Olaya is based on the alleged responsibility of the two officers in cases of missing and tortured persons.

As for former President Belisario Betancur and his defense minister, General Miguel Vega Uribe, who had testified, the court determined their actions were done according to the functions and responsibilities of their posts.

The court's pronouncement ends the most complicated penal investigation of this decade, which included the analysis and evaluation of thousands of testimonies, hundreds of newspaper clippings and photographs, and dozens of cassettes of television newscasts.

Rebels Seize Town in Cauca Department, Retreat

PA1202042289 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 12 Feb 89

[Report by Mario Arboleda from Valencia]

[Excerpts] A guerrilla attack on Valencia Corregimiento, 300 km south of Popayan, has left 5 dead, 3 wounded, and 11 police officers missing, including the post commander. Also, the inspector's office, the garrison, and National Enterprise for Telecommunications office were blown up with grenades, rockets, and dynamite.

The insurgents, numbering about 200 men and women, fired at the town from all sides. The policemen returned fire aggressively until they ran out of ammunition.

Once the guerrillas had gained absolute control of the town, they gathered the residents together, distributed propaganda, and painted walls, columns, and even vehicles. They took the policemen and their commander hostage as they retreated. [passage omitted]

The merciless attack on Valencia, one of the longest and fiercest in recent times, forced Governor Cesar Negre Mosquera to summon a security council meeting to coordinate the pursuit of the insurgents with top military leaders from his office. [passage omitted]

The authorities are puzzled by this new guerrilla attack on a Cauca Department town at a time when the government is holding talks with armed groups.

Two 'Massacres' Leave 11 Dead, 9 Injured

PA1202145589 Bogota EL TIEMPO in Spanish 6 Feb 89 p 9-A

[Unattributed report]

[Summary] Ibague—A total of 11 people were killed and 9 were injured in 2 massacres in Tolima and Risaralda.

Four Indians were killed at San Miguel, Planadas, Tolima Department, apparently by a FARC column. Two of the attackers also perished in the assault, which also left four Indians injured.

The attack was in broad daylight while the Indians were returning from their farming activities, carrying only machetes and other tools. About 20 guerrillas came out of the bush armed with revolvers and shotguns and started insulting the Indians and telling them they would kill them in revenge for not having agreed to collaborate with the guerrillas.

These natives had repeatedly rejected requests by the guerrillas to allow them to operate in the area. A few days ago, a Tolima Indian committee had reported to General Jose Gregorio Torres, 6th Brigade commander, the continuous harassments they were being subjected to.

The normal tranquillity of the coffee-growing area of Risaralda was abruptly interrupted on the night of 4 February by 10 men who murdered five and left five others injured in the village of Santa Rita, Santa Rosa de Cabal Jurisdiction. All the victims were members of the Rivera Carmona family. The attackers wore masks and bore automatic weapons. Risaralda Police Commander Colonel Lorenzo Hernandez claims not to know the reason for the killings, but unofficial versions say this was revenge against the Rivera Carmona family for collaborating with police in the investigation of three attacks on three farms in the area and in the investigation of the murder of a policeman who tried to stop one of the attacks.

ELN Attacks Interrupt Oil Pipeline Service

PA1202224689 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 12 Feb 89

[Text] Service was interrupted once again today on the Cano Limon-Covenas oil pipeline when an ELN [Army of National Liberation] attack damaged oil pipes at km 41 in the towns of Arauquita and Esmeralda. The oil flow to the Atlantic coast will resume tomorrow once the damage is repaired.

Cartagena Group Issues Report on Economy

PA1202165089 Madrid EFE in Spanish 0407 GMT 10 Feb 89

[Text] Bogota, 9 Feb (EFE)—A report from the Cartagena Group Reserves Fund [Fondo de Reservas del Grupo de Cartagena], released today by the Colombian Presidency, features Colombia as one of the countries with the most stable economies in the Andean region. The report indicates there has been a 4.2-percent increase in Colombia's gross domestic product.

The Cartagena Group includes Colombia, Bolivia, Ecuador, Peru, and Venezuela and the Reserve Fund is the group's financial and advisory organization. According to the fund's report, Colombia's growth in 1988 was not as high as it was in 1987. The report adds, however, that the Colombian economy "continues to grow."

Coffee, carbon, and petroleum exports provided Colombia with its main sources of exchange in 1988, despite a drop in international petroleum prices.

In addition, Colombia's foreign economy "continued to strengthen" in 1988. The country ended up with a $888-million surplus in its trade balance.

The report also indicated an improvement in public spending, which increased to 7.1 percent, and a drop in the unemployment rate, which fell to under 10 percent in 1988.

The Colombian Government's financial policy, which led to a 27.4 percent devaluation of the Colombian peso against the dollar, was described as "moderate" in the report. The report also notes Colombia's payment resources decreased 4.9 percent last year.

The report also examined foreign investment in Colombia, which amounted to $190.3 million in 1988. This figure represented a 42.7-percent increase. The foreign capital, which mostly came from the United States (35 percent), Great Britain (16 percent), and the FRG (14 percent), was used to improve the carbon and petroleum industries.

The annual inflation index rose to 28.1 percent, 4 points above that of 1987. In addition, the government's budgeted expenses for 1988, excluding the payment of the foreign debt, increased 47.7 percent.

Gasoline, Electricity Rate Hikes Announced

PA1202173589 Bogota EL TIEMPO in Spanish 6 Feb 89 pp 1, 2-A

[Summary] Mines and Energy Minister Oscar Mejia Vallejo announced over the Toledar Report radio program that gasoline prices will be readjusted every 4 months. The administration intends to gradually raise gasoline prices until they reach $.80 a gallon, about 274 pesos. This replaces the yearly readjustment method.

The government plans to eliminate fuel subsidies. Colombian Petroleum Enteprise currently pays $1 a gallon for gasoline while the consumer pays only $.48.

Minister Mejia Vallejo also announced new electricity rates, although the amounts were not disclosed. The increases have already been approved by the National Tariff Board and are being studied by the World Bank as a precondition to new loans. The minister says rate hikes in Bogota will be drastic, because tariffs are very irregular and include heavy subsidies to lower-income groups. The minister was quoted as saying: "It costs more to read the meter than what they pay for the service. The middle-income users are also highly subsidized, but the high-income group and the industrial sector pay excessively high rates. Bogota's industrial rate is the world's most expensive, which has led to theft of electricity. The rest of the country has more reasonable rates, so this situation does not happen," the minister said.

* M-19 Reportedly Steals Blood From Hospital

56002010z Bogota EL ESPECTADOR in Spanish 22 Dec 88 p 17-A

[Excerpts] Bogota—During the past few hours, three strange thefts occurred in the departments of Magdalena, Atlantico, and Cauca. The first took place in Barranquilla, when a guard stole several million pesos from the bank that he was protecting; the second took place in the Santa Marta customs warehouses, where a long open tunnel intended to be used for looting goods was discovered. The final instance occurred in the Cauca town of Miranda, where an M-19 cell invaded the local hospital, stealing a considerable amount of blood [passage omitted].

Attack on Hospital

As Flover Gonzalez, the Cali correspondent, reported, it was also learned that, in the municipality of Miranda, Cauca, several individuals claiming to belong to M-19 attacked the local hospital and, after subduing doctors and nurses, forced them to turn over a large amount of blood, and threatened that, if they failed to do so, they would be forced to donate.

Once they had the blood in their possession, the subversives fled.

A military spokesman noted that the subversives may possibly have taken this action in order to aid comrades wounded in the recent armed confrontations that have occurred in that area.

Narcotics Police Destroy 10 Hectares of Coca

PA1202131889 Bogota EL TIEMPO in Spanish 4 Feb 89 p 12-A

[Summary] In the "Alcaraban" operation in Puente Tabla, El Retorno Jurisdiction, Guaviare, narcotics police arrested one man, seized one vehicle, and destroyed a gigantic coca processing laboratory, 10 hectares of coca leaves, and 120 arrobas of coca leaves.

Paraguay

Argana Cited on 'Improved' Relations with U.S.

PY1302214789 Asuncion ULTIMA HORA in Spanish 13 Feb 89 p 13

[Text] According to Foreign Minister Luis Maria Argana, relations with the United States "have improved noticeably." The minister made this remark at Lopez Palace this morning.

Asked about comments by the U.S. ambassador on opposition meetings held on 11 February, Argana said: "I am very happy to see the U.S. ambassador praise this government's actions, because I am convinced the government is acting with patriotism and goodwill."

He pointed out that relations with neighboring countries "have also improved."

Minister Argana also said he would lead the Paraguayan delegation to Japan to attend Emperor Hirohito's funeral. He added that General Humberto Garcete, I Army Corps commander, will also attend the funeral.

"As several other foreign ministers will also attend the funeral, I intend to contact some of them to hold talks and tell them about the current situation in Paraguay. Nevertheless, I intend to return as soon as possible because the current national situation requires my presence here," he concluded.

Finance Minister Questioned on Debt Policy

PY1002184189 Asuncion EL DIARIO in Spanish 10 Feb 89 p 11

[Text] Talking with local and foreign journalists, Finance Minister Enzo Debernardi has asserted that the country "does not have a [foreign debt] payment suspension policy," although he admitted the sum that could not be paid on time "surpasses $200 million."

He noted: "The last payment was made a few days ago. There is no payment suspension policy, but rather a policy of accomodation to obligations. The bulk of the foreign debt is practically paid up through December."

Debernardi said that a situation that is "abnormal to some extent has developed since December."

Asked about the country's outstanding debt, Debernardi replied that "its amount, $2 billion, is not important, but its maturity schedule is. If we had to pay $2 billion over a period of 2,000 years, the debt would be unimportant."

He was asked about the Central Bank foreign reserves, and whether their position reported at $170 million last year was correct. Debernardi replied: "I believe that their position is now lower."

As for possible solutions, Debernardi pointed out that "the country needs more foreign currency coming in, so all measures necessary for that will have to be adopted." If those measures do not solve the problem, Debernardi said that "the country will have to talk with its creditors."

Envoy to Venezuela on Communist Party, Elections

PA1102023889 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 10 Feb 89

[Text] Paraguayan dissidents who had been in exile are beginning to return to that country. One of the priorities of the next government will be to tidy up the economy and investigate the corruption of Stroessner's lengthy dictatorship.

All political parties, except for the Communist Party, will participate in the upcoming May elections. Paraguayan Ambassador to Venezuela Raul Monte Domecq was interviewed by Martin Pacheco on this issue:

[Begin Monte recording] The Communist Party will have to be rehabililated, because there is a ban against it. This will probably take some time. You know that this government has only existed for 7 days and it has been busy reorganizing things. [end recording]

Exiles Greeted Upon Return to Country

PY1102031689 Asuncion ULTIMA HORA in Spanish 10 Feb 89 p 9

[Excerpt] It was an emotional morning today at our international airport with the return to our fatherland of four exiles, including Dr Osvaldo Chaves, who returns to our country after 30 years. About 100 relatives and friends, including leaders of the Unified ANR [National Republican Association, Colorado Party] Executive Board [Junta Unificada de la ANR], warmly welcomed our countrymen, whose faces were marked by joy, tears, and emotion upon returning to their fatherland.

Dr Osvaldo Chaves; Basilio Gonzalez Hermosilla, a trade union leader; Quintin Gonzalez; and Ruben Duarte Oviedo were met by the crowd that was singing "Dear Fatherland." [passage omitted]

State Council President, Vice President Elected

PY1002191389 Asuncion EL DIARIO in Spanish 10 Feb Supplement p 4

[Summary] The State Council, which has legislative functions during congressional recesses, yesterday elected Minister Without Portfolio Juan Ramon Chaves as its president and Foreign Minister Luis Maria Argana as its vice president.

New Appointments, Resignations Decreed

ANDE, ACEPAR Chairmen

PY1102032389 Asuncion ULTIMA HORA in Spanish 10 Feb 89 p 13

[Summary] By Executive Branch Decree No 31, Zoilo Rodas Rodas has been made ANDE [National Electric Power Administration] chairman.

It has been reported that Navy Captain Carlos Cubas has been appointed chairman of the board of ACEPAR [Paraguayan Steel, Inc].

Federico Mandelburger will again be executive secretary of the Technical Planning Secretariat, in addition to continuing as member of the Central Bank Executive Board.

Through Decree No 29 the Executive Branch accepted Engelberto Garcia Cabrera's resignation from his position as Justice and Labor Ministry secretary general and appointed Victor Pena Gamba to the same position.

Decree No 30 was issued to accept the resignation of First Civilian and Commercial Court Judge Marco Riera Hunter.

Asuncion Mayor Installed

PY1102140089 Asuncion HOY in Spanish 11 Feb 89 p 18

[Excerpt] On 10 February Colonel Jose Luis Alder Ibanez was installed as Asuncion's new mayor by Interior Minister General Orlando Machuca Vargas. General Porfirio Pereira Ruiz Diaz, former mayor of Asuncion and current public works minister, high-ranking municipal authorities, and special guests participated in the ceremony. [passage omitted]

New Itaipu, Yacyreta Directors

PY1102172789 Asuncion HOY in Spanish 11 Feb 89 p 10

[Summary] Through decrees promulgated yesterday by the executive branch, Eng Fidencio Juan Tardivo was appointed director of Itaipu Binational Enterprise for the Paraguayan side, and Dr Anastacio Acosta Amarilla was named legal executive director of the Yacyreta Binational Enterprise for the Paraguayan side. Dr Juan Ramon Chaves was named president of the National Borders Council, an agency subordinate to the Foreign Ministry.

NUESTRO TIEMPO Magazine Available

PY1102011989 Asuncion ULTIMA HORA in Spanish 10 Feb 89 p 9

[Text] The monthly magazine NUESTRO TIEMPO, which is published under Msgr Mario Melanio Medina's supervision, will appear in the streets tomorrow. This issue, no 36, will publish various analyses and opinions on the recent coup.

This magazine will be sold in the streets for the first time; previously the Interior Ministry forbade its sale and even seized several of its issues.

NUESTRO TIEMPO editors include Alcibiades Gonzalez Delvalle, Edwin Britez, Jose Luis Simon, Jesus Ruiz Nestoza, Pepa Kostianovsky, Victor Benitez, Anibal Saucedo Rodas, Serafin Soto Vega, and Ruben Cespedes.

Spaniard Arrested for Cocaine Smuggling

PY1002193089 Asuncion HOY in Spanish 10 Feb 89 p 5

[Summary] Jose Martinez Morales, 55, a Spaniard, has been arrested by the antidrug police at the international airport of Asuncion as he was about to board a scheduled flight to Madrid. He was carrying more than 3 kilograms of cocaine.

Peru

Garcia Discusses 'Possible' Cabinet Reshuffle

PY1302125989 Lima Television Peruana in Spanish 0100 GMT 12 Feb 89

[Excerpts] President Alan Garcia Perez was very busy today. He spoke of several matters of national interest, including reports of possible changes within the ministerial cabinet, and clarified some rumors regarding the resignation of the interior minister. He also referred to the country's regionalization plan:

[Begin recording] [Unidentified reporter] Mr President, what was the objective of the meeting with Dr. Luis Bedoya Reyes [chairman of the Popular Christian Party]?

[Garcia] It was a friendly political meeting to exchange points of view on the current national situation and to learn his opinions regarding some major problems. Dr Bedoya is a national leader who represents a large sector of society, and I wanted to hear his points of view. [passage omitted]

[Reporter] Mr President, there have been rumors lately regarding possible ministerial changes. Will there really be a cabinet reshuffle?

[Garcia, laughing] I have even seen newspaper reports announcing some resignations. This is part of our political life. The ministers know very well that the ministry is not just a post of a technical and professional man, but is also a political position. Very often there is the need to make some changes to improve the situation. But this, in fact, depends on the prime minister. The cabinet is based on his proposal. I have always thought that changes are good, although at this moment I see no need for urgent changes. I believe it depends on the prime minister, so the question should be addressed to him. [passage omitted] [end recording]

Shining Path Kills Policemen, APRA Official

PY1302192189 Madrid EFE in Spanish 0007 GMT 11 Feb 89

[Text] Lima, 11 Feb (EFE)—Gerardo Roldan Huerta, the Ancash Department APRA secretary, died today in Lima after being seriously wounded last night during a terrorist attack.

Last night two Maoist Shining Path guerrillas shot Roldan twice in the head. The guerrillas surprised Roldan as he was heading for his house in the town of Huaraz, capital of Ancash Department, located north of Lima.

Roldan was taken to Lima, but his life could not be saved.

Two national policemen were killed and two were wounded yesterday in the Oroya mining center, [word indistinct] central Peru, when they were lowering a red flag that was connected to explosives.

Moreover, Jaime Lopez Padilla, the deputy mayor of the town of Paramonga, located in Lima Department north of the city of Lima, was shot three times by terrorists. He was taken to a local hospital in critical condition.